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**BALANCE OF PAYMENTS
AUSTRALIA
JUNE QUARTER 1988**

IAN CASTLES
Australian Statistician

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MAIN FEATURES

Estimates of the main balance of payments aggregates for the June quarter 1988, the preceding quarter and the two latest financial years are shown in the following table together with related data on exchange rates and the trade weighted index.

MAIN AGGREGATES, EXCHANGE RATES AND THE TRADE-WEIGHTED INDEX

	1987-88								
	1986-87	1987-88	Per cent change (a)	Not seasonally adjusted			Seasonally adjusted		
				Mar qtr	Jun qtr	Per cent change (a)	Mar qtr	Jun qtr	Per cent change (a)
MAIN AGGREGATES (\$ million)									
Balance on current account	-13240	-11907	+10	-2726	-2844	-4	-3027	-3156	-4
Balance on goods and services	-5292	-2984	+44	-195	-273	-40	-524	-600	-15
Balance on merchandise trade	-1736	144	..	376	424	+13	292	-20	..
Net services	-3556	-3128	+12	-571	-697	-22	-816	-580	+29
Net income	-9274	-10692	-15	-2941	-3001	-2	-2923	-3065	-5
Net unrequited transfers	1326	1769	+33	410	430	+5	420	509	+21
Balance on capital account	10009	8690	..	2742	1490	..	..	..	..
Official	2185	-1188	..	1110	-4649	..	..	..	..
Non-official	7824	9878	..	1632	6139	..	..	..	..
EXCHANGE RATES - UNITS OF FOREIGN CURRENCY PER \$A (b)									
United States dollar	.6636	.7290	+9.9	.7196	.7783	+8.2	..	..	..
Special drawing right	.5345	.5448	+1.9	.5255	.5688	+8.2	..	..	..
TRADE-WEIGHTED INDEX OF THE VALUE OF THE \$A (MAY 1970=100) (b)									
	53.8	54.8	+1.9	53.0	57.0	+7.5	..	..	..

(a) For the current account, a minus sign means an increase in the deficit or a decrease in the surplus and a plus sign means a decrease in the deficit or an increase in the surplus. (b) Period averages.

June quarter 1988 compared with March quarter 1988 -

• **Goods and services (seasonally adjusted).** The deficit on goods and services increased by \$76 million, with the fall in exports exceeding the fall in imports.

• **Income and unrequited transfers (seasonally adjusted).** The income deficit increased by \$142 million. A rise in income credits was more than offset by a rise in income debits. The unrequited transfers surplus rose by \$89 million.

• **Official capital (not seasonally adjusted).** The strong turnaround from a net inflow to a net outflow mainly reflected transactions in general government borrowing and Australia's reserve assets.

• **Non-official capital (not seasonally adjusted).** The sharp rise in the net inflow resulted mainly from an increase in foreign investment in Australia, which was largely due to borrowing transactions.

Financial year 1987-88 compared with financial year 1986-87 -

• **The balance on merchandise trade** turned around by \$1880 million to a surplus of \$144 million, as a result of exports (up 14 per cent) rising more than imports (up 9 per cent). In volume terms, exports increased by 4 per cent and imports increased by 9 per cent.

• **The net services deficit** fell by \$428 million. This is a result of services credits increasing by 21 per cent, largely due to increased expenditure by foreign travellers in Australia and higher earnings from passenger services, while services debits increased by 9 per cent. Credit volumes were up 14 per cent while debit volumes were up 9 per cent.

• **Australia's terms of trade** for goods and services increased by 9 per cent. The implicit price deflator for exports of goods and services also rose 9 per cent while the corresponding implicit price deflator for imports was virtually unchanged.

• **The net income deficit** rose by \$1418 million to \$10,692 million largely due to increased interest payable abroad.

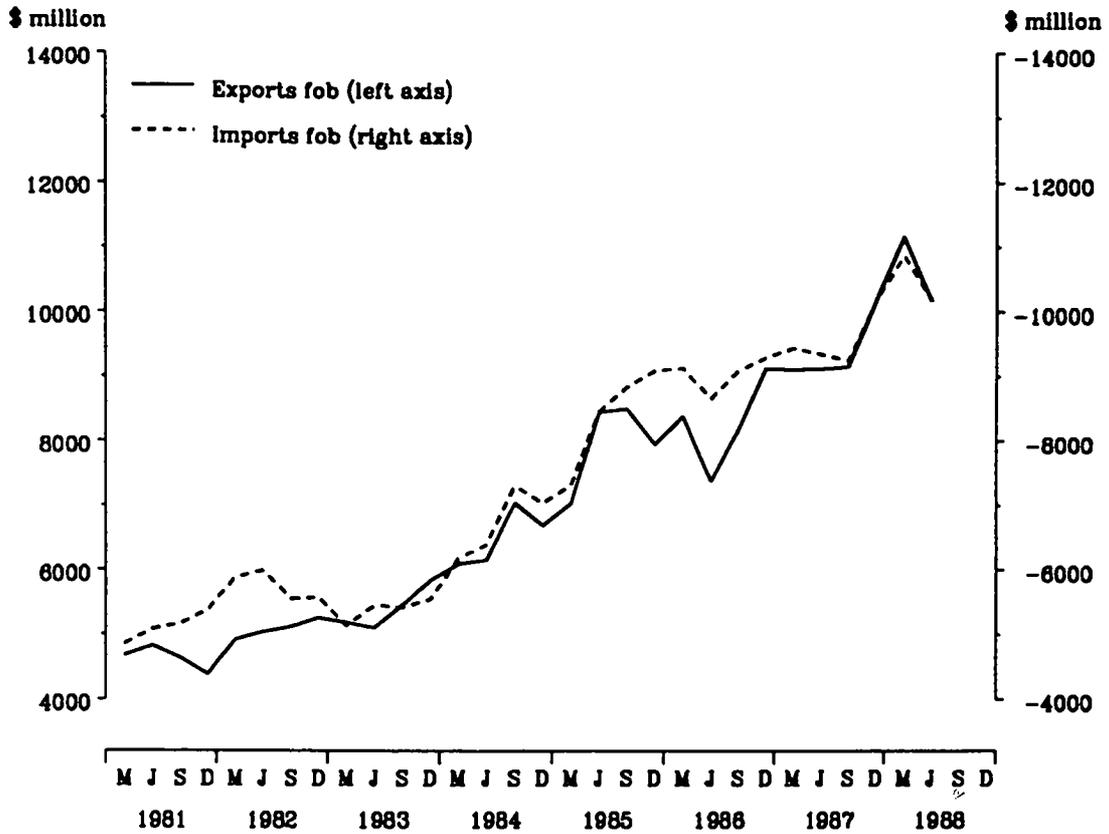
• **The net unrequited transfers surplus** at \$1769 million was up \$443 million or 33 per cent primarily due to increased immigrants' transfers into Australia.

• **Official capital.** The turnaround from a net inflow to a net outflow was largely due to a fall in borrowing transactions.

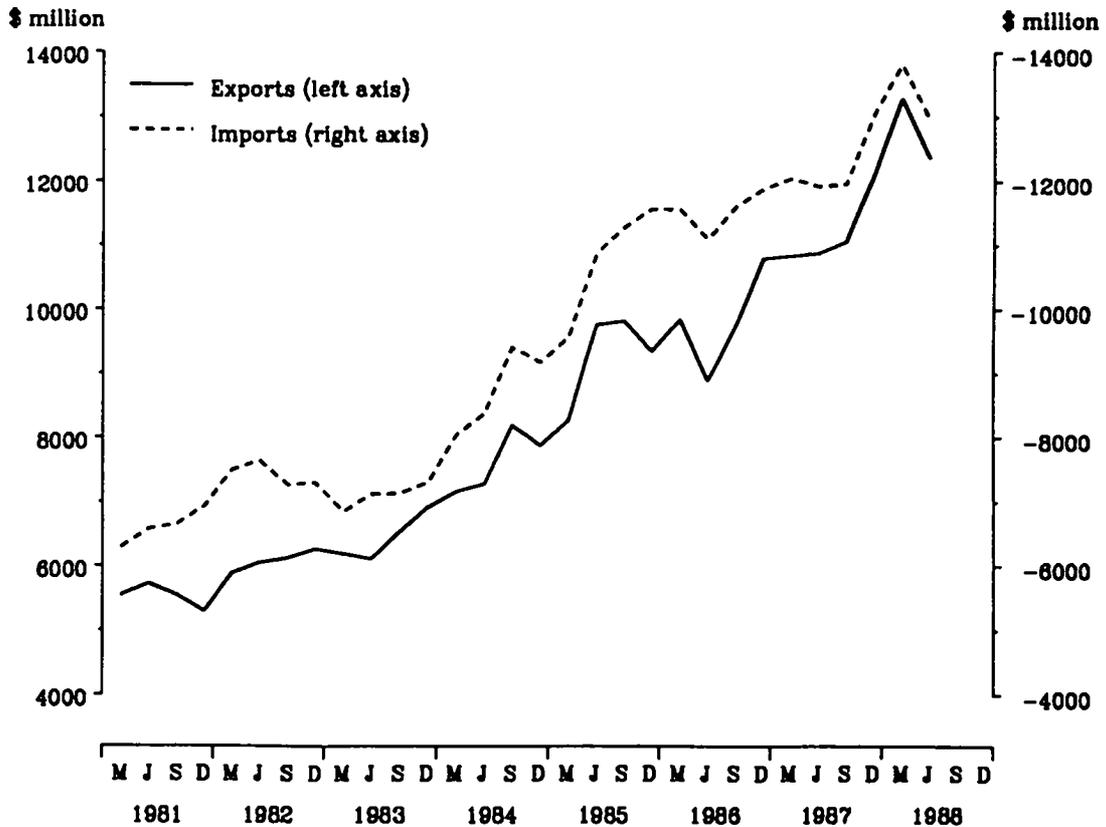
• **Non-official capital.** The higher net inflow resulted from a combination of increased foreign investment in Australia and a fall in Australian investment abroad. The net inflow of foreign investment in Australia rose as a result of increased borrowing from unrelated non-residents, which was partly offset by a fall in investment by non-residents in Australian corporate equities. The lower net outflow on account of Australian investment abroad was mainly attributable to the turnaround (to an inflow) in Australian investment in corporate equities in unrelated foreign enterprises.

GRAPHS OF PRINCIPAL BALANCE OF PAYMENTS AGGREGATES

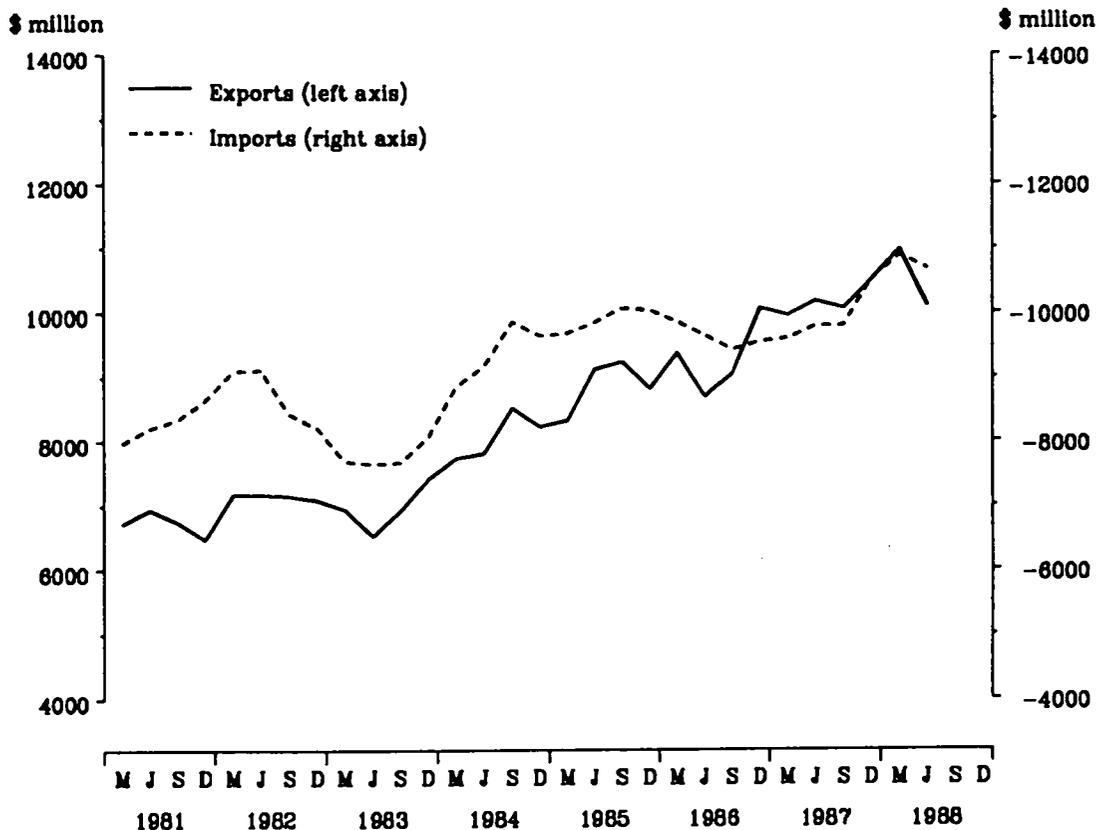
GRAPH 1 - MERCHANDISE - SEASONALLY ADJUSTED



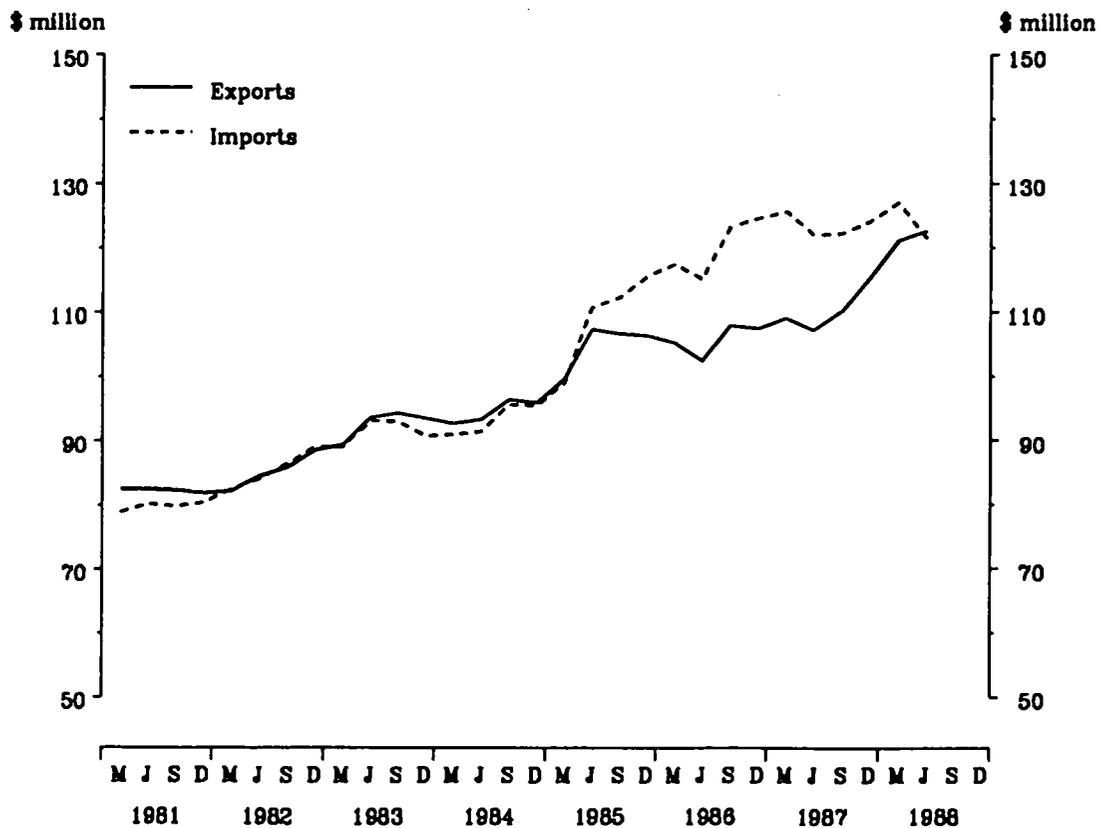
GRAPH 2 - GOODS AND SERVICES AT CURRENT PRICES - SEASONALLY ADJUSTED



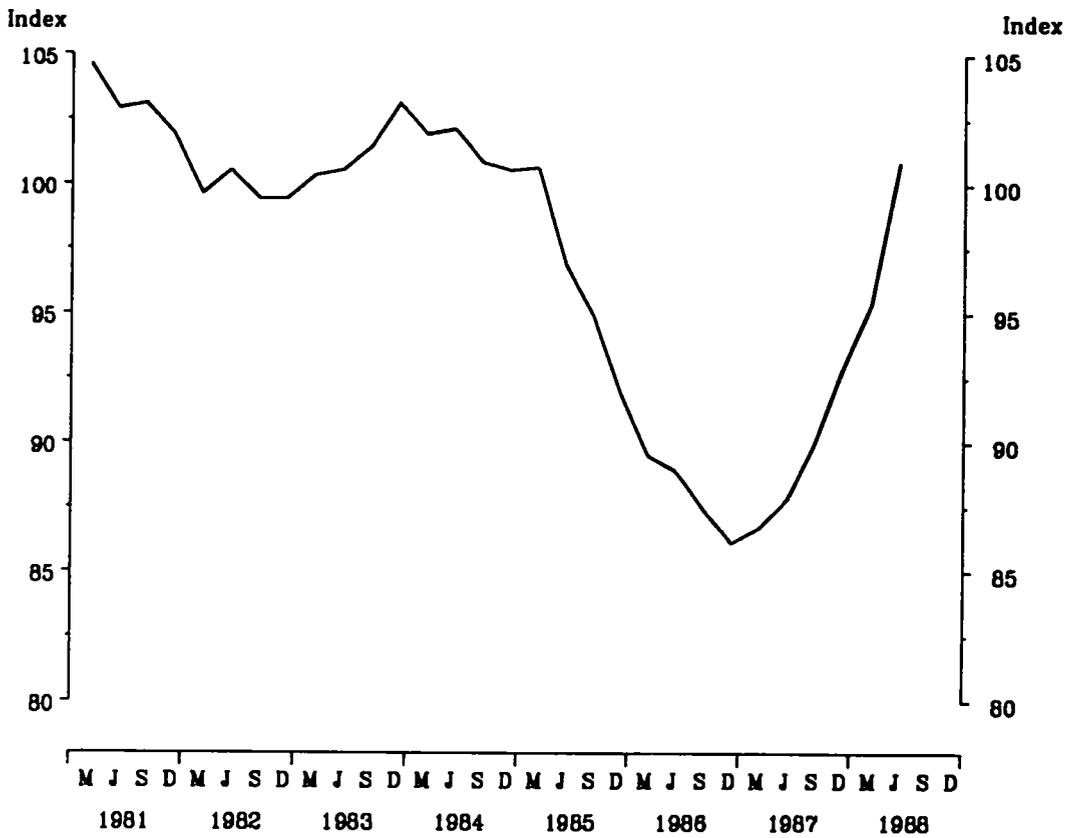
GRAPH 3 - GOODS AND SERVICES AT AVERAGE 1984-85 PRICES - SEASONALLY ADJUSTED



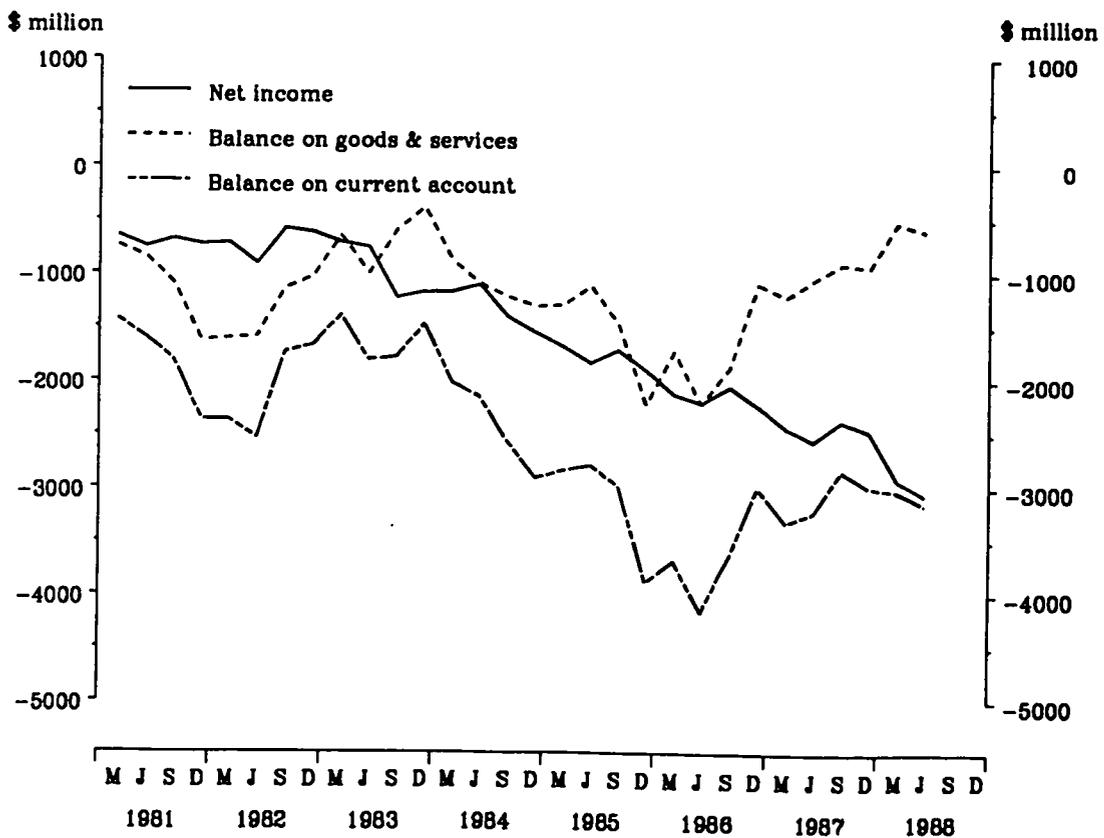
GRAPH 4 - IMPLICIT PRICE DEFLATORS FOR GOODS AND SERVICES - BASED ON SEASONALLY ADJUSTED DATA (1984-85=100)



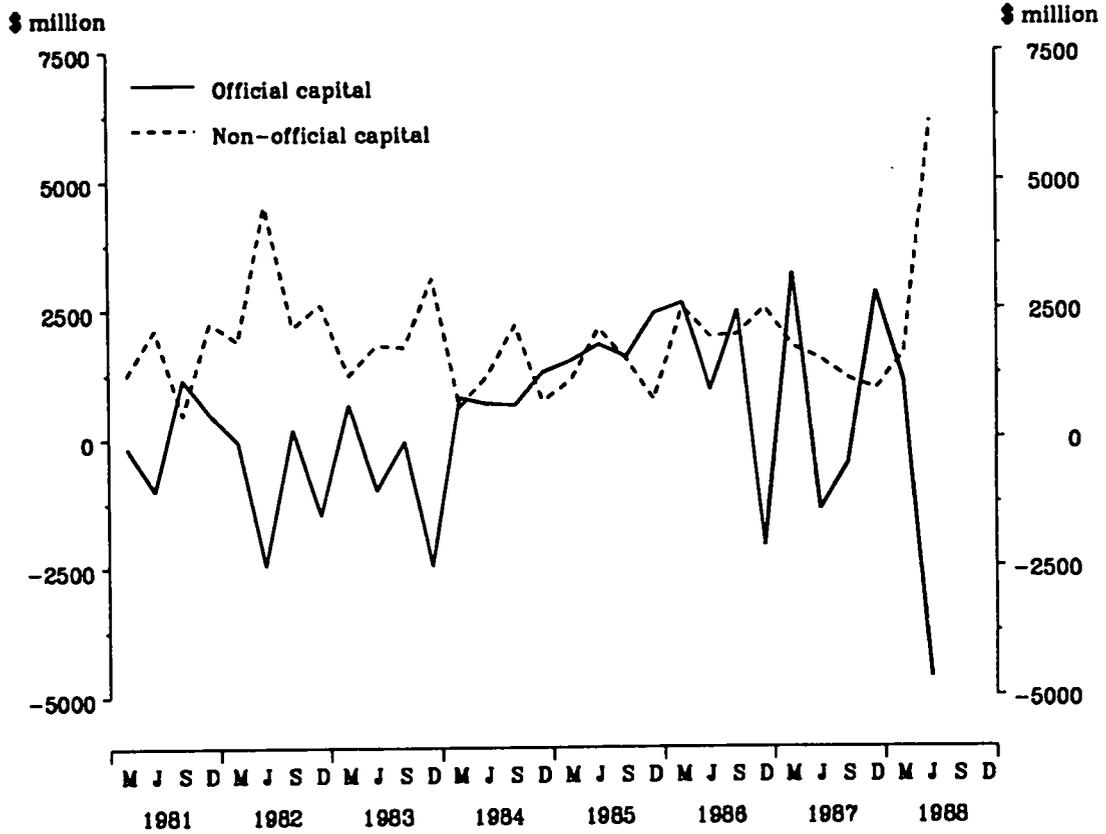
**GRAPH 5 - TERMS OF TRADE FOR GOODS AND SERVICES -
BASED ON SEASONALLY ADJUSTED DATA (1984-85=100)**



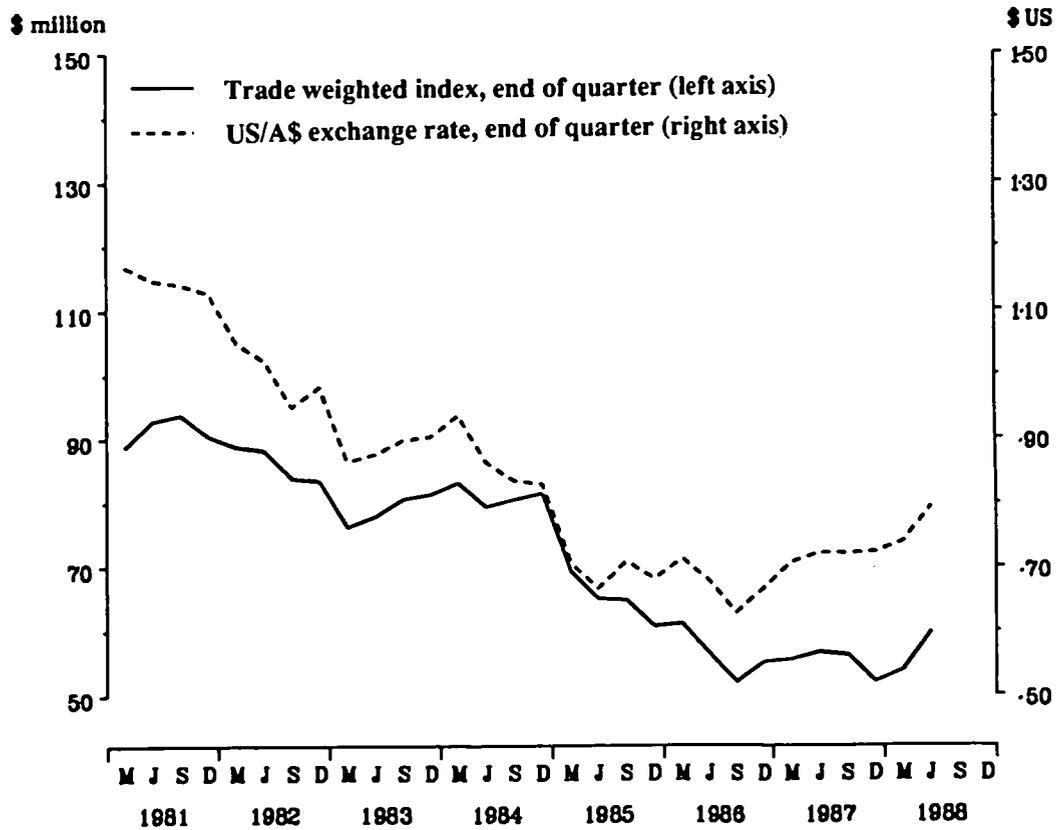
GRAPH 6 - CURRENT ACCOUNT MAJOR AGGREGATES - SEASONALLY ADJUSTED



GRAPH 7 - NET CAPITAL TRANSACTIONS



GRAPH 8 - TRADE WEIGHTED INDEX (MAY 1970=100) AND US/A\$ EXCHANGE RATE



NOTES ON THE ESTIMATES

GOODS AND SERVICES

The following table shows, for the last eight quarters, the changes in exports and imports of goods and services, seasonally adjusted, at current and constant prices and corresponding implicit price deflators and terms of trade measures.

PERCENTAGE CHANGES IN EXPORTS AND IMPORTS OF GOODS AND SERVICES AND TERMS OF TRADE

	1986-87				1987-88			
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
AT CURRENT PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	+9.6	+10.8	+0.4	+0.4	+1.6	+9.5	+9.8	-6.9
Merchandise exports	+10.9	+11.6	-0.1	+0.1	+0.4	+11.2	+9.7	-9.0
Services credits	+3.8	+6.6	+2.9	+2.3	+8.1	+1.2	+10.0	+3.6
Imports of goods and services	+4.6	+2.3	+1.3	-1.0	+0.3	+9.0	+5.9	-6.1
Merchandise imports	+5.0	+2.1	+1.6	-1.0	-1.1	+10.1	+6.8	-6.3
Services debits	+3.2	+3.0	+0.3	-1.0	+5.2	+5.5	+2.6	-5.4
AT CONSTANT (AVERAGE 1984-85) PRICES, SEASONALLY ADJUSTED								
Exports of goods and services	+4.1	+11.3	-1.1	+2.2	-1.1	+4.4	+4.5	-8.0
Merchandise exports	+4.7	+12.5	-1.5	+2.4	-2.3	+5.0	+4.0	-9.8
Services credits	+0.5	+4.4	+1.1	+1.4	+6.1	+1.1	+7.1	+2.0
Imports of goods and services	-2.4	+1.3	+0.6	+2.0	+0.1	+7.3	+3.5	-1.9
Merchandise imports	-1.5	+0.5	+1.0	+1.9	-1.7	+9.5	+4.2	-2.1
Services debits	-5.6	+4.4	-1.1	+2.4	+6.4	+0.2	+0.9	-1.2
IMPLICIT PRICE DEFLATORS (a)								
Exports of goods and services	+5.4	-0.5	+1.5	-1.7	+2.8	+4.8	+5.0	+1.2
Merchandise exports	+5.9	-0.8	+1.4	-2.2	+2.8	+5.9	+5.5	+0.9
Services credits	+3.2	+2.1	+1.8	+0.9	+1.9	+0.1	+2.7	+1.6
Imports of goods and services	+7.1	+1.1	+0.8	-2.9	+0.2	+1.6	+2.3	-4.3
Merchandise imports	+6.5	+1.6	+0.6	-2.8	+0.6	+0.6	+2.5	-4.3
Services debits	+9.4	-1.3	+1.4	-3.3	-1.2	+5.3	+1.6	-4.2
TERMS OF TRADE (a)								
Goods and services	-1.7	-1.5	+0.7	+1.3	+2.5	+3.2	+2.7	+5.8
Merchandise trade	-0.7	-2.4	+0.8	+0.5	+2.2	+5.2	+3.0	+5.4
Services	-5.6	+3.4	+0.4	+4.3	+3.2	-5.0	+1.1	+5.9

(a) Derived from index numbers on base 1984-85 = 100. The index numbers are derived from seasonally adjusted current and constant price estimates.

June quarter 1988 compared with March quarter 1988, seasonally adjusted ("Volume" refers to values at average 1984-85 prices and "price" refers to implicit price deflators) -

Exports of merchandise at current prices fell by \$1001 million. Rural exports fell \$685 million due to an 18 per cent decrease in volume and a 2 per cent increase in price. Non-rural exports fell \$316 million due to a 6 per cent decrease in volume and 2 per cent increase in price.

The *implicit price deflator* for total exports of goods and services rose by 1.2 per cent. The major contributing commodities to the price increase were wool up 11 per cent and metal ores and minerals up 7 per cent. The main fall was in sugar prices, down 12 per cent. On a fixed weight basis the overall IPD would have risen by 1.7 per cent, while compositional shifts imply a fall of 0.5 per cent.

Imports of merchandise at current prices fell \$689 million. Exogenous imports fell \$68 million. Endogenous imports fell \$621 million due to a 3 per cent decrease in volume and 4 per cent decrease in price.

The *implicit price deflator* for total imports of goods and services fell 4.3 per cent. The only major merchandise component to differ markedly from this movement was fuels, down 8 per cent. On a fixed weight basis, the IPD for total imports of goods and services would have fallen by 3.6 per cent, while compositional shifts imply a fall of 0.7 per cent.

Australia's *terms of trade* rose by 5.8 per cent, the sixth successive quarterly increase. It should be noted however, that at the time of compilation of the statistics in this publication the available information on the prices of internationally traded goods for the latest quarter is preliminary in nature and therefore subject to revision.

GOLD EXPORTS

Exports of gold (other than ores, concentrates and monetary gold) are included in the "other non-rural" exports category. In recent years gold exports have been increasing more rapidly than the rest of the "other non-rural" category.

The table below shows gold exports on a quarterly basis since March quarter 1986 and on an annual basis for the latest three financial years.

VALUE OF GOLD EXPORTS (NOT SEASONALLY ADJUSTED) (a)			(\$ MILLION)		
Period	Gold Coin(b)	Other Gold(c)	Total	Per cent of "other non-rural" exports	
1985-86	1	786	787	25.4	
1986-87	204	1348	1552	33.8	
1987-88	117	2426	2543	39.6	
1985-86					
March qtr	1	142	143	21.7	
June qtr	-	257	257	29.6	
1986-87					
September qtr	1	263	264	27.4	
December qtr	2	338	340	31.2	
March qtr	20	403	423	35.5	
June qtr	181	344	525	38.9	
1987-88					
September qtr	59	415	474	35.1	
December qtr	21	557	578	39.3	
March qtr	20	717	737	44.3	
June qtr	17	737	754	39.0	

(a) Excluding ores, concentrates and monetary gold. (b) AECC item 991.00.01. (c) AECC group 971.

EXOGENOUS IMPORTS

For purposes of analysing movements in merchandise imports, the categories exogenous and endogenous imports are shown in various tables in this publication. These categories are defined in paragraph 14 of the Explanatory

Notes. Statistics on the main components of exogenous imports at current prices are shown in the following table so that the impact of identified and sizeable lumpy transactions upon total merchandise imports and other key aggregates can be more readily assessed.

EXOGENOUS MERCHANDISE IMPORTS (NOT SEASONALLY ADJUSTED)				(\$ MILLION)	
Period	Fuels (a)	Civil Aircraft (b)	Other (c)	Total	Per cent of total merchandise imports
1985-86	1909	561	2069	4539	12.7
1986-87	1751	1046	1662	4459	12.0
1987-88	2032	189	1616	3837	9.5
1985-86 -					
March qtr	490	285	392	1167	13.6
June qtr	310	-	518	828	9.7
1986-87 -					
September qtr	424	243	455	1122	11.7
December qtr	472	472	377	1321	14.0
March qtr	427	61	422	910	10.2
June qtr	428	270	408	1106	12.0
1987-88					
September qtr	412	90	438	940	9.7
December qtr	613	36	416	1065	10.3
March qtr	490	63	402	955	9.3
June qtr	517	-	360	877	8.7

(a) AICC Section 3. (b) Acquisition of aircraft by selected major airline companies. (c) Acquisition of associated aircraft equipment (eg spare engines etc), defence equipment, ships by selected public sector enterprises and certain other government goods.

COMPARABILITY OF MERCHANDISE COMMODITY GROUPS

From 1 January 1988, the entries for merchandise export and import commodity groups and for exogenous and endogenous imports are not strictly comparable with entries for earlier periods, due to changes in the classification of foreign trade statistics. This applies to estimates at both current and constant prices. There is no break in the time series for aggregate merchandise exports and imports at current prices as these series are unaffected by the classification changes; but there is a break in the aggregate series at constant prices, although this break is less significant than the break in the component constant price series. (See also 'Forthcoming Changes to Balance of Payments Publications'.)

REBASE OF CONSTANT PRICE ESTIMATES

The base year of constant price estimates of goods and services contained in this issue has been changed from 1979-80 to 1984-85. Estimates on the 1984-85 basis are available back to September quarter 1974 and can be obtained by contacting Mr Dan Aherne on Canberra (062) 52 6689. There may be a charge for this information. A detailed discussion of the need for rebasing constant price estimates, and factors affecting the choice of base year, is contained in the information paper *Change in Base Year of Constant Price Estimates from 1979-80 to 1984-85* (5227.0), released on 6 June 1988.

REVISIONS

Some previously published estimates have been revised in this issue. The impact on the deficit on current account for the last three years has been upward revisions of \$126 million in 1985-86, \$50 million in 1986-87 and \$395 million in 1987-88. The net inflow from capital transactions has been revised upwards by \$3,398 million for the first three quarters of 1987-88.

The factors contributing to the current account revisions were:

- Merchandise imports have been revised in 1987-88 to reflect the latest data on recorded imports. Additional timing adjustments have also been made from 1985-86 to record the imports of certain items of transport equipment on a time of change of ownership basis.
- Shipment, other transportation and travel credits and debits have been revised from 1985-86 to take account of the latest available data from the Surveys of International Shipping and Airline Operations and other data sources.
- Estimates of insurance services and insurance income have been revised from 1982-83 to reflect the latest data available from the Surveys of Foreign Investment and from taxation statistics.
- Some components of investment income debits for 1987-88 have been revised to incorporate preliminary results from the June quarter 1988 Surveys of Foreign Investment.
- Estimates of other property income credits from 1985-86 have been revised to incorporate the latest available data

from the Survey of Non-Trade Foreign Receipts and Payments and the Survey of Research and Experimental Development.

- Estimates of other property income debits have been revised to incorporate the latest available taxation statistics on royalties. In addition, an improvement has been made in the method of compiling this series. An adjustment to the taxation data has been introduced to exclude payments for technical know-how services which are included in the taxation definition of royalties but which are already reported in another data source and recorded in other services. This adjustment affects the estimates for all years from 1970-71 although its impact on the current account balance is small.

- The incorporation of the latest available taxation statistics on withholding taxes paid by non-residents has resulted in revisions to official unrequited transfers credits from 1981-82.

For net capital transactions, revisions reflect the inclusion of more up-to-date information from the Surveys of Foreign Investment. In particular, these estimates have been revised for the September and December quarters 1987 and the March quarter 1988 due to the change in the method of producing initial estimates of foreign borrowing domiciled in Australia (see 'Changes in this issue').

CHANGES IN THIS ISSUE

Estimates of foreign borrowing domiciled in Australia are based on data supplied by borrowers and nominees in the annual Survey of Foreign Investment. This borrowing covers foreign residents' holdings of:

- tradeable debt securities issued on Australian capital markets, which are mostly held through Australian nominees; and
- non-tradeable deposits held with banks in Australia.

Previously, until the annual survey results became available, estimates of transactions in tradeable debt securities held through nominees were compiled from information supplied by brokers and security dealers in the quarterly Survey of Foreign Investment. On receipt of the annual survey results, the quarterly information from brokers and security dealers was adjusted to achieve consistency.

From this issue, however, the initial quarterly and annual estimates of transactions in tradeable debt securities held through nominees are based on additional information now obtained direct from nominees in the quarterly Survey of Foreign Investment. This change in methodology will improve the accuracy and reliability of the initial estimates, besides improving their consistency with associated income estimates.

As a result of the improved methodology, more details of which are available in *Foreign Investment, Australia, Preliminary, June quarter 1988* (5307.0) released on 15 August 1988, capital transactions classed as foreign borrowing domiciled in Australia have been revised, in aggregate, by +\$382 million for September quarter 1987, +\$874 million for December quarter 1987 and +\$2780 million for March quarter 1988.

FORTHCOMING CHANGES TO BALANCE OF PAYMENTS PUBLICATIONS

NEW COMMODITY BREAKDOWNS OF MERCHANDISE EXPORTS AND IMPORTS

The international implementation of the Harmonized Commodity Description and Coding System (HS) on 1 January 1988 and the introduction of the third revision of the United Nations Standard International Trade Classification (SITC) from the same date resulted in changes to the collection, classification and presentation of Australia's foreign trade statistics. This provided the opportunity to review the merchandise commodity groups presented in balance of payments publications.

The merchandise exports and imports series shown in balance of payments bulletins are mainly derived from foreign trade statistics. The commodity breakdowns of merchandise are currently based on the Australian Export Commodity Classification (AECC) and the Australian Import Commodity Classification (AICC). The AECC and AICC are based on the second revision of the SITC with some modifications to take account of Australia's trade.

From the September quarter 1988 issue of this bulletin and the October 1988 monthly bulletin 5301.0 (both due for release in November 1988), new commodity breakdowns of the merchandise exports and imports items will be introduced based on the SITC rev 3. The choice of the SITC rev 3 (rather than the HS) provides comparability with the presentation of foreign trade statistics and reduces the significance of the break in the merchandise commodity series between December 1987 and January 1988. The new breakdowns were developed following consultation with a range of balance of payments users.

In general, the new commodity breakdowns of both the merchandise exports and imports items will be largely unchanged from those in existing balance of payments publications. However the new groups will enable users to identify "Manufactures" using the widely accepted concept of sections 5 to 8 of the SITC. The groups "Machinery and Transport equipment" within both the exports and imports items will be split to identify the components "Machinery" and "Transport equipment". In exports, "Gold" (including gold coin) will be separately specified. In imports, the group "Other imports" will now be composed of the present "Basic materials" group plus section 9 of the SITC; the bulk of the present "Other imports" group will now be called "Manufactures nec".

Estimates for the new breakdowns will be provided for a long run of past periods. The estimates will be shown on an SITC rev 3 basis from January 1988. Prior to January 1988, they will be compiled directly from the AECC and the AICC, which are based on SITC rev 2. As SITC rev 3 incorporates significant changes in structure and definitions to align it more closely with the HS, a break in the merchandise commodity series occurs at 1 January 1988.

To assist users in the interpretation of the data before and after 1 January 1988, a special table will be provided for the period January 1988 to June 1988 showing estimates on both the AECC/AICC base (obtained by recompiling data from the HS) and the SITC rev 3 base. Since the recompiled AECC/AICC based series will be derived from the HS, however, a break in the commodity group series at 1 January 1988 will still exist. Accordingly, caution should be exercised when using data on the AECC/AICC base as well as on the SITC rev 3 base.

The new commodity breakdowns are shown below with the corresponding SITC rev 3 sections and/or divisions:

<i>Exports</i>	<i>SITC Rev 3 Section or Division</i>
Rural -	
Meat & meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations & honey	06
Wool and sheepskins	21(part), 26(part)
Other rural	00,02,03,05,07 to 09, 12,21(part),22 to 25, 26(part),29,4
Non-rural -	
Metal ores & minerals	27,28
Mineral fuels -	
Coal, coke & briquettes	32
Other mineral fuels	33 to 35
Metals -	
Gold	97
Other metals	67,68
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	5,61 to 66,69,8
Other non-rural	11,91-96
<i>Imports</i>	
Food beverages & tobacco	0,1
Fuels	3
Chemicals (incl. plastics)	5
Textiles, fabrics etc	65
Metals and metal manufactures	67 to 69
Machinery	71 to 77
Transport equipment	78,79
Manufactures nec	61 to 64, 66,8
Other imports	2,4,9

EXPLANATORY NOTES

Introduction

1. This publication contains detailed estimates of Australia's balance of payments for June quarter 1988 together with revised estimates for previous quarters and financial years. The estimates are consistent with those published earlier this month in *Foreign Investment, Australia, Preliminary, June quarter 1988* (5307.0). Longer term estimates, from September quarter 1959, consistent with those shown in this issue, will shortly be available in the publication *Balance of Payments, Australia - Historical Series on Microfiche, June quarter 1988* (5337.0).

2. Information about the classification and presentation of these estimates, and brief item descriptions, are provided in the Information Paper *Changes in the Presentation of Australian Balance of Payments Statistics* (5340.0) issued on 23 December 1985.

3. This publication contains four main tables and 16 supplementary tables. The main tables (Tables 1 to 4) provide summary statistics; they show the main aggregates and the more important components of the aggregates. The supplementary tables (Tables 5 to 20) provide additional breakdowns, related series (e.g. exchange rates and the trade-weighted index) and reconciliations of selected balance of payments series with other series (i.e. with foreign trade statistics and levels of official reserve assets).

4. Additional information about capital account and investment income transactions is available in foreign investment publications: notably the quarterly publication *Foreign Investment, Australia* (5306.0) and the annual publication *Foreign Investment, Australia* (5305.0). Statistics in foreign investment publications are consistent with those in balance of payments publications. Foreign investment publications also provide comprehensive statistics on the level of foreign investment in Australia, the level of Australian investment abroad and Australia's external debt.

5. The quarterly publication *International Transportation Services, Australia* (5350.0) provides additional information on freight and other transportation transactions.

Scope of the balance of payments

6. The Australian *balance of payments* is a statistical statement designed to provide a systematic record of Australia's economic transactions with the rest of the world. The statement is divided into a current account and a capital account. Table 1 presents summary statistics covering both accounts.

Recording of transactions

7. Despite its name, the balance of payments is not primarily concerned with "payments", but with "transactions". Transactions are recorded as either *debits* or *credits*. The following transactions are regarded as debits and identified by a minus sign: the acquisition of goods and services from non-residents, income payable to non-resi-

dents, unrequited transfers provided to non-residents, increases in foreign financial assets and decreases in foreign liabilities. Credits have no arithmetic sign and consist of these transactions: the provision of goods and services to non-residents, income receivable from non-residents, unrequited transfers received from non-residents, decreases in foreign financial assets and increases in foreign liabilities. These sign conventions apply in all tables except Tables 6, 11 and 20. In Table 6, the implicit price deflator for imports of goods and services is shown with no sign, while in Table 11, imports are shown with no sign. In Table 20, decreases in Australia's official reserve assets are shown with a minus sign and increases in these assets are shown with no arithmetic sign.

Current account

8. The *current account* records transactions between Australian residents and non-residents in merchandise, other goods and services, income and unrequited transfers. Table 2 summarises the estimates of current account transactions, while Table 3 provides corresponding seasonally adjusted estimates.

Merchandise (balance of payments basis)

9. *Merchandise* covers movable goods (with a few exceptions) which change ownership from residents to non-residents (exports) and from non-residents to residents (imports). The series are derived from foreign trade statistics which are adjusted for coverage, timing and (imports only) valuation to put them on a balance of payments basis. Table 11 provides details of the adjustments.

Commodity breakdowns of merchandise

10. Commodity breakdowns of merchandise exports and imports are provided in Tables 7 (at current prices), 8 (at average 1984-85 prices), 9 (at current prices, seasonally adjusted) and 10 (at average 1984-85 prices, seasonally adjusted). The groupings shown consist of the following Australian Export Commodity Classification (AECC) and Australian Import Commodity Classification (AICC) divisions and/or sections:

<i>Exports</i>	<i>Section or Division of AECC</i>
Rural -	
Meat and meat preparations	01
Cereal grains and cereal preparations	04
Sugar, sugar preparations and honey	06
Wool and sheepskins	Parts of 21, 26 and 65
Other rural	00, 02, 03, 05, 07 to 09, 21 (part), 22 to 25, 26(part), 29, 4
Non-rural -	
Metal ores and minerals	27, 28
Mineral fuels -	
Coal, coke and briquettes	32
Other	33, 34
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7

Other non-rural 1, 5, 61 to 64,
65(part), 66, 8, 9

<i>Imports</i>	<i>Section or Division of AICC</i>
Food, beverages and tobacco	0, 1
Fuels	3
Basic materials	2,4
Chemicals (incl plastics)	5
Textiles, fabrics, etc	65
Metals and metal manufactures	67 to 69
Machinery and transport equipment	7
Other imports	61 to 64, 66, 8, 9

11. In the preparation of this publication confidential 7-digit items of the AECC or AICC are included with items classified to section 9. The lists of items for which these adjustments have been made appear in footnotes to the main tables of *Exports, Australia: Monthly Summary Tables* (5432.0) and *Imports, Australia: Monthly Summary Tables* (5433.0).

Rural and non-rural exports

12. In defining "rural" exports largely in terms of *divisions* (2-digit level) of the AECC, many individual *items* (7-digit level) are classified differently from what might have been the case with a more detailed system. For example, canned fruit salad (AECC 058.99.47) is included in "rural", while cotton yarn (651.30.05) is not - both items might equally well have been classified to "rural" (on the basis of their origin), or to "non-rural" (due to the high proportion of value added during subsequent processing).

13. The terms "rural" and "non-rural" are therefore used in a broad sense and the limitations mentioned above should be borne in mind when the estimates are used for analytic purposes.

Exogenous and endogenous imports

14. *Exogenous imports* comprise a group of imported goods which it has been found useful to identify separately in economic analysis because the transactions in these goods are lumpy, subject to government arrangements or significantly affected by factors other than the general level of economic activity in Australia. Exogenous imports include fuels; ships, aircraft and certain other large items of equipment acquired by selected public and private sector trading enterprises; defence goods and certain other government goods. *Endogenous imports* comprise imports of all goods other than those regarded as exogenous.

15. Endogenous imports in Table 7 (at current prices), Table 8 (at average 1984-85 prices), Table 9 (at current prices, seasonally adjusted) and Table 10 (at average 1984-85 prices, seasonally adjusted) are classified into three classes - *consumption goods*, *capital goods* and *other goods* - according to the United Nations' classification by broad economic categories (BEC). *Other goods* covers the BEC class *intermediate goods* and the residual BEC category *goods not elsewhere specified*. The classes consist of the following BEC categories (excluding goods defined as exogenous):

Consumption goods

Food and beverages, primary, mainly for household consumption (112)
Food and beverages, processed, mainly for household consumption (122)
Passenger motor vehicles (51)
Transport equipment, non-industrial (522)
Consumer goods, not elsewhere specified (6)

Capital goods

Capital goods (except transport equipment) (41)
Transport equipment, industrial (521)

Other goods

Food and beverages, primary, mainly for industry (111)
Food and beverages, processed, mainly for industry (121)
Industrial supplies not elsewhere specified (2)
Parts and accessories of capital goods (except transport equipment) (42)
Parts and accessories of transport equipment (53)
Goods not elsewhere specified (7)

16. The BEC attempts to classify merchandise trade statistics for purposes of general economic analysis according to the main *end-use* of the commodities traded. It does not achieve complete alignment with the particular end-use to which articles are put in specific circumstances; for example some passenger motor cars, which are conventionally classified as consumption goods, and some parts and accessories of capital goods, which are conventionally classified as other goods, are in fact acquired as capital equipment.

Services

17. *Services* covers services rendered by Australian residents to non-residents (credits) and by non-residents to residents (debits), together with transactions in a few types of goods (eg goods purchased by travellers). Detailed estimates are shown in Table 12.

Income and unrequited transfers

18. *Income* covers income earned by Australian residents from non-residents (credits) or by non-residents from residents (debits). It includes investment income (eg dividends and interest), other property income (eg royalties) and labour income (eg wages and salaries). Tables 13 and 14 give detailed estimates.

19. *Unrequited transfers* covers the offsetting entries required by the double-entry system of accounting when resources (goods, services and financial assets) are provided, without something of economic value being received in return, by non-residents to Australian residents (offsetting credits required) and by residents to non-residents (offsetting debits required). It includes foreign aid, migrants' transfers, gifts, donations, pensions and taxes. Detailed estimates are provided in Table 15.

Capital account

20. The *capital account* records transactions in Australia's foreign financial assets and liabilities, including the creation and extinction of claims on or by the rest of the world and a few specified other changes. Summary estimates for the capital account appear in Table 4.

Resident institutional sectors

21. Capital transactions, and some current transactions, are grouped into two broad institutional sectors called *official* and *non-official*, with the former split into *general government* and *Reserve Bank of Australia*. The general government sector comprises the transactions of the Commonwealth, the States, local government authorities and statutory bodies, but it excludes the transactions of public business enterprises. Details of general government and Reserve Bank capital transactions are given in Tables 16 and 17 respectively. The non-official sector covers transactions of all other resident entities including private and government owned banks, private and public business enterprises, and households. Estimates of the capital transactions of the non-official sector are detailed in Tables 18 and 19.

22. For some purposes, the non-official sector is dissected into a *public* component and *private* component. The public component consists of business (financial and trading) enterprises classified to the public sector. The private component comprises all other entities.

Foreign investment in Australia and Australian investment abroad

23. Broadly, *foreign investment in Australia* covers transactions which increase or decrease the liabilities of residents to non-residents and *Australian investment abroad* covers transactions which increase or decrease Australia's foreign financial assets.

Borrowing domiciled in Australia and borrowing domiciled abroad.

24. Within Tables 16, 18 and 19, the following definitions apply:

Borrowing domiciled in Australia includes both:

- Non-equity securities issued on Australian capital markets which, while generally targeted for Australian residents, are taken up by foreign residents. These securities are generally held through nominee enterprises and include all government and semi-government fixed interest tradeable securities, as well as certificates of deposit issued by banks, debentures, promissory notes and other issues by private enterprises. These securities are all tradeable.

- Non-tradeable deposits held by foreign residents with banks in Australia.

Borrowing domiciled abroad refers to all other forms of borrowing by Australian residents, ie borrowing on foreign capital markets. It includes equity securities (including Australian dollar Eurobond issues), mortgages and certificates of deposit issued abroad as well as non-securitised borrowing from foreign residents.

25. Within borrowing domiciled in Australia, *purchases* refer to both on-market purchases by foreign residents and the take-up by foreign residents of new issues. Likewise, *sales* include both on-market sales by foreign residents and redemptions of issues held by foreign residents.

Transactions in deposit accounts are measured on a net basis. This is because it is neither practical nor of significant analytical interest to show these transactions dissected into increases and decreases in accounts.

26. Within borrowing domiciled abroad, *drawings* refer to those transactions that increase borrowing liabilities; examples include the drawdown of a new borrowing, the issue of non-equity securities on foreign capital markets and the receipt of finance under finance lease arrangements. *Repayments* refer to those transactions that reduce liabilities; examples include the repayment of loans, the redemption of non-equity securities and finance lease payments (excluding the imputed interest component which is treated as an income item). Where a borrowing is "rolled-over", both the repayment of the old borrowing and the drawing of a new borrowing are recorded unless the rollover is an option within the original loan contract. If the rollover is an option, no drawings or repayments are recorded.

Official reserve assets

27. Changes in official reserve assets, after deducting valuation effects, are recorded in the Reserve Bank sector of the capital account and are detailed in Table 17. In accordance with the standard accounting conventions adopted for balance of payments recording outlined in paragraph 5, a decrease in these assets is recorded as a reduction in Australian investment abroad (ie a credit shown with no sign) and an increase in these assets is recorded as an increase in Australian investment abroad (ie a debit shown with a minus sign).

28. Table 20 shows levels of *official reserve assets*. Changes in the levels at the end of each period are dissected into those which are included in the balance of payments (ie those resulting from transactions and a few specified other changes), and those which are due to the effects of revaluations. In this table, decreases in official reserve assets are shown with a minus sign and increases are shown with no sign.

Balances

29. This publication presents a number of *balances*, eg balance on goods and services, balance on capital account. A balance is derived as the net sum of the credit and debit entries selected for inclusion.

Nature of constant price estimates

30. Estimates of exports and imports of goods and services at current and constant (average 1984-85) prices, both original and seasonally adjusted, are presented in Table 5. Commodity details of merchandise exports and imports at constant (average 1984-85) prices, original and seasonally adjusted, are presented in Tables 8 and 10, respectively.

31. A value at constant prices may be thought of as being derived by expressing the current price value of each component transaction as the product of a price and a quantity, and by substituting for each actual current price the corresponding price in the chosen base year. Aggregates at constant prices for each period are then obtained by summing constant price values for individual transactions. In effect, quantities of the individual com-

modities involved in the transactions are combined using their prices in the base year as weights.

32. In practice, however, there are many transactions recorded in statistics of foreign trade for which it is not possible to apply such an approach. In such cases it is necessary to make assumptions and approximations (eg revaluing by means of the price index which is considered to be most closely related to the commodity involved). The published constant price estimates should be viewed in this light.

33. A fuller discussion of the methods used in estimating constant price values and the major approximations and assumptions, made in compiling constant price estimates appears in Chapter 4 of *Australian National Accounts: Concepts, Sources and Methods*, (5216.0).

Implicit price deflators and terms of trade

34. Implicit price deflators (IPDs) for exports and imports of goods and services and index numbers of the terms of trade are presented in Table 6.

35. An IPD is obtained by dividing a current price value by its corresponding constant price value. Thus IPDs are derived measures (hence the term implicit) and are not normally the direct measures of price change by which current price estimates are converted to estimates at constant prices. They take into account not only the changes in the prices of exports and imports but also the effects of the changes in composition of exports and imports on total recorded price movements.

36. A more detailed discussion of the nature of IPDs is presented in Appendix B of the publication *Australian National Accounts: Concepts, Sources and Methods* (5216.0).

37. There are several ways of measuring the terms of trade. A common means of doing so is by calculating an index of the form:

$$\frac{\text{Price index of exports}}{\text{Price index of imports}} \times 100$$

In this publication, the price indexes used in calculating the terms of trade index are the IPDs for exports and imports.

Seasonal adjustment

38. Most of the current account series in this publication are affected to some extent by seasonal influences and it is useful to recognise and take account of this element of variation. Therefore *seasonally adjusted estimates* are presented in Tables 3,5,9 and 10. In addition, the implicit price deflator and terms of trade data presented in Table 6 are based on seasonally adjusted data.

39. Seasonal adjustment may be carried out by various methods and the results may vary slightly according to the procedure adopted. Accordingly, seasonally adjusted statistics should not be regarded as in any way definitive. In interpreting particular seasonally adjusted statistics it is important, therefore, to bear in mind the methods by which they have been derived and the limitations to which the methods used are subject. Details of the seasonal adjustment methods used are available on request.

40. For those items showing substantial irregular movement, particular care should be taken in interpreting quarter-to-quarter movements in the adjusted figures, as the short term movements cannot be assumed to indicate changes in *trend*.

41. In order to maintain an accounting identity, the seasonally adjusted balances (balance on merchandise trade, balance on goods and services and balance on current account) are derived by differencing independently adjusted series.

42. The factors to be used in compiling seasonally adjusted estimates for certain series (principally components of merchandise trade and investment income) up to and including September quarter 1988 are available on request. To obtain the seasonal factors, users should contact Mr Dan Aherne on (062) 52 6689.

Exchange rates and the trade weighted index

43. Table 20 shows the exchange rates of the Australian dollar with four major currencies, the Special Drawing Right (SDR) and a trade-weighted index of the value of the Australian dollar. The series are all shown on an end-of-period and period-average basis.

44. The exchange rates shown are derived in respect of each trading day using rates provided by the Reserve Bank of Australia. The rate for the US dollar is a representative mid-point determined by the Reserve Bank on the basis of market quotations at 4pm Eastern Australian time. Rates for the other currencies are calculated by crossing the rate for the US dollar with the mid-points of closing buying and selling rates largely in Asian markets. The rates shown are indications of market value only and could differ from those quoted by Australian banks.

45. The value of the SDR is calculated by the International Monetary Fund (IMF) on the basis of a weighted basket of five currencies - the US dollar, West German mark, French franc, Japanese yen and pound sterling. The IMF publishes the value of the SDR each day in terms of US dollars; the latest available rate is crossed with the 4pm \$A/\$US rate.

46. The trade-weighted index (TWI) for each trading day is also provided by the Reserve Bank and is an index of the average value of the Australian dollar vis-a-vis currencies of Australia's trading partners. The index is as calculated at 4pm on the basis of the representative rate for the US dollar and rates for other currencies, mainly from Asian markets.

47. The end-of-period rates relate to the last trading day of the reference period. The period averages are compiled by the ABS by averaging the trading day figures.

Accuracy and reliability of estimates

48. Because the transactions recorded in the balance of payments are of many different kinds, compilation of balance of payments estimates entails the use of a very wide range of statistical data of varying degrees of accuracy and timeliness.

49. Therefore care should be exercised in the use and interpretation of estimates in this publication. The latest estimates are *preliminary and subject to revision* as more accurate data come to hand. Also, the more detailed estimates may be less accurate in relative terms than broader items and aggregates of which they form components.

Comparability with capital expenditure statistics

50. Tables 7 and 9 in this publication contain current price estimates of *imports of endogenous capital goods*. Shorter-term movements in this series can differ quite significantly from the corresponding movements in the *new private capital expenditure on equipment, plant and machinery* series published in *Private New Capital Expenditure, Australia* (5625.0 and 5626.0). The main reasons for the differences are:

- The imports series includes all goods defined as endogenous capital goods (see paragraphs 14 to 16 above), whereas the capital expenditure series relates only to goods classified as equipment, plant and machinery that are acquired by private enterprises in selected industries.
- The capital expenditure series includes all plant, machinery and equipment, irrespective of whether it has been imported or manufactured in Australia.
- Imports are valued f.o.b. at the point of export whereas estimates of capital expenditure are measured at domestic market prices, including international transport margins, government duties and domestic trade and transport margins.

51. Accordingly, while movements in imports of endogenous capital goods can provide a broad indication of movements in the *import component* of new private capital expenditure on equipment, plant and machinery, they do not necessarily provide an accurate indication of movements in total new private capital expenditure on these goods.

Series available on request

52. Detailed quarterly export and import series at constant (average 1984-85) prices can be obtained by contacting Mr Paul Nelson on Canberra (062) 52 6725. These series are based on foreign trade statistics (ie they are not adjusted to a balance of payments basis) and relate to selected divisions and sections of the AECC and AICC. Quarterly tables showing components of services can also be obtained from Mr Nelson. These tables provide original and seasonally adjusted current and constant price estimates, corresponding to the series shown (in original current price terms) in Table 12 of this publication. Both sets of estimates are working estimates only and may not always be completely consistent with published estimates.

Related publications

53. Other ABS publications which may be of interest include:

Balance of Payments Australia (5301.0) - issued monthly

Balance of Payments, Australia, Historical Series on Microfiche (5337.0) - issued quarterly.

Balance of Payments, Australia 1985-86 (5303.0)

Balance of Payments, Australia - Regional Series on Microfiche 1985-86 (5338.0).

International Transportation Services, Australia (5350.0) - issued quarterly.

Changes in the Presentation of Australian Balance of Payments Statistics (5340.0) - published 23 December 1985

Exports, Australia, Monthly Summary Tables (5432.0) - issued monthly

Imports, Australia, Monthly Summary Tables (5433.0) - issued monthly

Export Price Index, Australia (6405.0) - issued monthly

Import Price Index, Australia (6414.0) - issued quarterly

Foreign Investment, Australia 1986-87 (5305.0)

Foreign Investment, Australia (Preliminary) (5307.0) - issued quarterly

Foreign Investment, Australia (5306.0) - issued quarterly

54. Current publications produced by the ABS are listed in the *Catalogue of Publications, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Publications Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Publications Advice are available from any ABS office.

Symbols and other usages

na not available

nya not yet available

nei not elsewhere included

- nil or rounded to zero

.. not applicable.

55. Where figures have been rounded, discrepancies may occur between the sums of component items and totals.

Electronic services

VIATEL. Key *656# for selected current economic, social and demographic statistics.

AUSSTATS. Thousands of up-to-date time series are available on this ABS on-line service through CSIRONET. For further information phone the AUSSTATS Help Desk on (062) 52 6017.

TELESTATS. This service provides foreign trade statistics tailored to users' requirements. Further information is available on (062) 52 5404.

Floppy disk service

Selected ABS statistics are available on floppy disk. Further information is available on (062) 52 6684.

TABLE 1. BALANCE OF PAYMENTS

SMILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	32208	35423	40554	8135	7629	8189	9206	8616	9412	9130	10306	10618	10500
Imports fob	-35676	-37159	-40410	-8611	-8569	-9572	-9437	-8903	-9247	-9731	-10361	-10242	-10076
BALANCE ON MERCHANDISE TRADE	-3468	-1736	144	-476	-940	-1383	-231	-287	165	-601	-55	376	424
SERVICES -													
Credits	5740	6776	8183	1529	1463	1474	1785	1822	1695	1771	2070	2250	2092
Debits	-9841	-10332	-11311	-2353	-2449	-2678	-2560	-2511	-2583	-2883	-2818	-2821	-2789
NET SERVICES	-4101	-3556	-3128	-824	-986	-1204	-775	-689	-888	-1112	-748	-571	-697
BALANCE ON GOODS AND SERVICES	-7569	-5292	-2984	-1300	-1926	-2587	-1006	-976	-723	-1713	-803	-195	-273
INCOME -													
Credits	2301	2936	3195	572	517	694	623	747	872	753	787	731	924
Debits	-10356	-12210	-13887	-2760	-2738	-2633	-2918	-3275	-3384	-2946	-3344	-3672	-3925
NET INCOME	-8055	-9274	-10692	-2188	-2221	-1939	-2295	-2528	-2512	-2193	-2557	-2941	-3001
UNREQUITED TRANSFERS -													
Credits	2517	3017	3546	628	678	673	770	794	780	812	881	903	950
Debits	-1700	-1691	-1777	-473	-515	-358	-396	-468	-469	-358	-406	-493	-520
NET UNREQUITED TRANSFERS	817	1326	1769	155	163	315	374	326	311	454	475	410	430
BALANCE ON CURRENT ACCOUNT	-14807	-13240	-11907	-3333	-3984	-4211	-2927	-3178	-2924	-3452	-2885	-2726	-2844
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign investment in Australia	5639	6134	2330	3043	383	-372	2226	1618	2662	1201	-751	2327	-447
Australian investment abroad	-213	-573	414	78	-208	61	-254	4	-384	166	23	-141	366
Total	5426	5561	2744	3121	175	-311	1972	1622	2278	1367	-728	2186	-81
RESERVE BANK -													
Foreign investment in Australia	-16	18	-8	-20	16	-7	8	-	17	-1	-11	1	3
Australian investment abroad	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
Total	2124	-3376	-3932	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076	-4568
TOTAL OFFICIAL	7550	2185	-1188	2622	932	2472	-2090	3188	-1385	-490	2841	1110	-4649
NON-OFFICIAL -													
Foreign investment in Australia	13559	15625	16397	3984	3883	4138	4596	4047	2844	3959	3566	2439	6433
Australian investment abroad	-6798	-7801	-6519	-1456	-1919	-2136	-2078	-2275	-1312	-2802	-2616	-807	-294
TOTAL NON-OFFICIAL	6761	7824	9878	2528	1964	2002	2518	1772	1532	1157	950	1632	6139
BALANCE ON CAPITAL ACCOUNT	14311	10009	8690	5150	2896	4474	428	4960	147	667	3791	2742	1490
BALANCING ITEM	496	3231	3217	-1817	1088	-263	2499	-1782	2777	2785	-906	-16	1354

(a) Balance of payments basis

TABLE 2. BALANCE OF PAYMENTS - CURRENT ACCOUNT

	\$MILLION												
	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
			MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	
CURRENT TRANSACTIONS -													
GOODS AND SERVICES -													
MERCHANDISE (a) -													
Exports fob	32208	35423	40554	8135	7629	8189	9206	8616	9412	9130	10306	10618	10500
Imports fob	-35676	-37159	-40410	-8611	-8569	-9572	-9437	-8903	-9247	-9731	-10361	-10242	-10076
BALANCE ON MERCHANDISE TRADE	-3468	-1736	144	-476	-940	-1383	-231	-287	165	-601	-55	376	424
SERVICES -													
Credits -													
Shipment	379	457	535	96	92	107	114	113	123	128	134	138	135
Other transportation	2480	2765	3169	664	613	632	735	743	655	707	794	872	796
Travel	1702	2218	2959	482	423	418	614	646	540	587	779	835	758
Other services	1179	1336	1520	287	335	317	322	320	377	349	363	405	403
Total services credits	5740	6776	8183	1529	1463	1474	1785	1822	1695	1771	2070	2250	2092
Debits-													
Shipment	-2827	-2847	-2862	-668	-679	-768	-726	-679	-674	-692	-756	-719	-695
Other transportation	-2197	-2114	-2451	-511	-523	-551	-518	-496	-549	-618	-599	-619	-615
Travel	-2818	-3206	-3572	-664	-722	-875	-767	-760	-804	-1009	-886	-847	-830
Other services	-1999	-2165	-2426	-510	-525	-484	-549	-576	-556	-564	-577	-636	-649
Total services debits	-9841	-10332	-11311	-2353	-2449	-2678	-2560	-2511	-2583	-2883	-2818	-2821	-2789
NET SERVICES	-4101	-3556	-3128	-824	-986	-1204	-775	-689	-888	-1112	-748	-571	-697
BALANCE ON GOODS AND SERVICES	-7569	-5292	-2984	-1300	-1926	-2587	-1006	-976	-723	-1713	-803	-195	-273
INCOME -													
Credits -													
Property income -													
Reinvested earnings	681	1186	1220	171	170	296	296	297	297	305	305	305	305
Other	1445	1572	1764	364	308	354	287	404	527	389	431	374	570
Labour and other income	175	178	211	37	39	44	40	46	48	59	51	52	49
Total income credits	2301	2936	3195	572	517	694	623	747	872	753	787	731	924
Debits -													
Property income -													
Reinvested earnings	-936	-1206	-1400	-234	-234	-301	-301	-302	-302	-350	-350	-350	-350
Other	-9246	-10808	-12226	-2483	-2465	-2294	-2570	-2914	-3030	-2540	-2925	-3250	-3511
Labour and other income	-174	-196	-261	-43	-39	-38	-47	-59	-52	-56	-69	-72	-64
Total income debits	-10356	-12210	-13887	-2760	-2738	-2633	-2918	-3275	-3384	-2946	-3344	-3672	-3925
NET INCOME	-8055	-9274	-10692	-2188	-2221	-1939	-2295	-2528	-2512	-2193	-2557	-2941	-3001
UNREQUITED TRANSFERS -													
Credits	2517	3017	3546	628	678	673	770	794	780	812	881	903	950
Debits	-1700	-1691	-1777	-473	-515	-358	-396	-468	-469	-358	-406	-493	-520
NET UNREQUITED TRANSFERS	817	1326	1769	155	163	315	374	326	311	454	475	410	430
BALANCE ON CURRENT ACCOUNT	-14807	-13240	-11907	-3333	-3984	-4211	-2927	-3178	-2924	-3452	-2885	-2726	-2844

(a) Balance of payments basis.

TABLE 3. BALANCE OF PAYMENTS - CURRENT ACCOUNT - SEASONALLY ADJUSTED

SMILLION

	QUARTERS ENDED-									
	1985-86		1986-87				1987-88			
	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
CURRENT TRANSACTIONS -										
GOODS AND SERVICES -										
MERCHANDISE (a) -										
Exports fob	8383	7378	8179	9124	9114	9119	9153	10177	11169	10168
Imports fob	-9128	-8660	-9093	-9288	-9440	-9348	-9248	-10180	-10877	-10188
BALANCE ON MERCHANDISE TRADE	-745	-1282	-914	-164	-326	-229	-95	-3	292	-20
SERVICES -										
Credits -										
Shipment	96	92	107	114	113	123	128	134	138	135
Other transportation	650	640	658	696	716	689	741	748	835	844
Travel	436	468	482	547	583	597	681	691	753	838
Other services	287	320	330	324	318	361	363	363	404	390
Total services credits	1469	1520	1577	1681	1730	1770	1913	1936	2130	2207
Debits -										
Shipment	-708	-690	-721	-720	-721	-684	-651	-747	-765	-706
Other transportation	-536	-514	-517	-537	-524	-537	-579	-622	-660	-602
Travel	-703	-742	-791	-785	-806	-827	-909	-909	-899	-854
Other services	-497	-506	-501	-564	-563	-539	-582	-593	-622	-625
Total services debits	-2444	-2452	-2530	-2606	-2614	-2587	-2721	-2871	-2946	-2787
NET SERVICES	-975	-932	-953	-925	-884	-817	-808	-935	-816	-580
BALANCE ON GOODS AND SERVICES	-1720	-2214	-1867	-1089	-1210	-1046	-903	-938	-524	-600
INCOME -										
Credits -										
Property income -										
Reinvested earnings	171	170	296	296	297	297	305	305	305	305
Other	409	283	383	282	438	388	419	428	384	448
Labour and other income	39	40	40	41	48	49	54	52	55	50
Total income credits	619	493	719	619	783	734	778	785	744	803
Debits -										
Property income -										
Reinvested earnings	-234	-234	-301	-301	-302	-302	-350	-350	-350	-350
Other	-2465	-2420	-2428	-2502	-2860	-2934	-2737	-2836	-3250	-3449
Labour and other income	-40	-41	-41	-45	-55	-55	-62	-65	-67	-69
Total income debits	-2739	-2695	-2770	-2848	-3217	-3291	-3149	-3251	-3667	-3868
NET INCOME	-2120	-2202	-2051	-2229	-2434	-2557	-2371	-2466	-2923	-3065
UNREQUITTED TRANSFERS -										
Credits										
	625	681	696	751	787	782	839	853	904	953
Debits										
	-466	-427	-400	-427	-461	-405	-401	-440	-484	-444
NET UNREQUITTED TRANSFERS	159	254	296	324	326	377	438	413	420	509
BALANCE ON CURRENT ACCOUNT	-3681	-4162	-3622	-2994	-3318	-3226	-2836	-2991	-3027	-3156

(a) Balance of payments basis

TABLE 4. BALANCE OF PAYMENTS - CAPITAL ACCOUNT

	\$MILLION												
	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87		1987-88					
			MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	
NET CAPITAL TRANSACTIONS -													
OFFICIAL -													
GENERAL GOVERNMENT -													
Foreign Investment in Australia													
Borrowing	5609	6146	2400	3055	352	-353	2153	1646	2700	1201	-736	2354	-419
Other	30	-12	-70	-12	31	-19	73	-28	-38	-	-15	-27	-28
Total	5639	6134	2330	3043	383	-372	2226	1618	2662	1201	-751	2327	-447
Australian investment abroad	-213	-573	414	78	-208	61	-254	4	-384	166	23	-141	366
TOTAL	5426	5561	2744	3121	175	-311	1972	1622	2278	1367	-728	2186	-81
RESERVE BANK -													
Foreign investment in Australia													
Australian investment abroad -	-16	18	-8	-20	16	-7	8	-	17	-1	-11	1	3
Reserve assets	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
TOTAL	2124	-3376	-3932	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076	-4568
TOTAL OFFICIAL	7550	2185	-1188	2622	932	2472	-2090	3188	-1385	-490	2841	1110	-4649
NON-OFFICIAL -													
Foreign Investment in Australia-													
Direct investment -													
Reinvestment of earnings	936	1206	1400	234	234	301	301	302	302	350	350	350	350
Other	2407	3354	2165	-195	1677	-104	2468	90	900	906	44	-200	1415
Portfolio & other investment	10216	11065	12832	3945	1972	3941	1827	3655	1642	2703	3172	2289	4668
Total foreign investment in Australia	13559	15625	16397	3984	3883	4138	4596	4047	2844	3959	3566	2439	6433
Australian investment abroad -													
Direct investment -													
Reinvestment of earnings	-681	-1186	-1220	-171	-170	-296	-296	-297	-297	-305	-305	-305	-305
Other	-2088	-2499	-4692	-296	-824	-910	-1255	-183	-151	-1361	-1986	-1513	168
Portfolio & other investment	-4029	-4116	-607	-989	-925	-930	-527	-1795	-864	-1136	-325	1011	-157
Total Australian investment abroad	-6798	-7801	-6519	-1456	-1919	-2136	-2078	-2275	-1312	-2802	-2616	-807	-294
TOTAL NON-OFFICIAL	6761	7824	9878	2528	1964	2002	2518	1772	1532	1157	950	1632	6139
BALANCE ON CAPITAL ACCOUNT	14311	10009	8690	5150	2896	4474	428	4960	147	667	3791	2742	1490

TABLE 5. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES AT CURRENT AND AVERAGE 1984-85 PRICES - ORIGINAL AND SEASONALLY ADJUSTED

	\$MILLION												
	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
			MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	
AT CURRENT PRICES													
Merchandise exports fob	32208	35423	40554	8135	7629	8189	9206	8616	9412	9130	10306	10618	10500
Services, credits	5740	6776	8183	1529	1463	1474	1785	1822	1695	1771	2070	2250	2092
TOTAL EXPORTS OF GOODS AND SERVICES	37948	42199	48737	9664	9092	9663	10991	10438	11107	10901	12376	12868	12592
Merchandise imports fob	-35676	-37159	-40410	-8611	-8569	-9572	-9437	-8903	-9247	-9731	-10361	-10242	-10076
Services, debits	-9841	-10332	-11311	-2353	-2449	-2678	-2560	-2511	-2583	-2883	-2818	-2821	-2789
TOTAL IMPORTS OF GOODS AND SERVICES	-45517	-47491	-51721	-10964	-11018	-12250	-11997	-11414	-11830	-12614	-13179	-13063	-12865
AT AVERAGE 1984-85 PRICES													
Merchandise exports fob	30914	33471	34945	7830	7578	7666	8717	8108	8980	8470	9060	8796	8619
Services, credits	5197	5695	6488	1355	1312	1285	1497	1503	1410	1445	1655	1753	1635
TOTAL EXPORTS OF GOODS AND SERVICES	36111	39166	41433	9185	8890	8951	10214	9611	10390	9915	10715	10549	10254
Merchandise imports fob	-31113	-30095	-32825	-7342	-7463	-7790	-7576	-7126	-7603	-7931	-8412	-8131	-8351
Services, debits	-8485	-8241	-9010	-2014	-2120	-2092	-2040	-1992	-2117	-2356	-2206	-2193	-2255
TOTAL IMPORTS OF GOODS AND SERVICES	-39598	-38336	-41835	-9356	-9583	-9882	-9616	-9118	-9720	-10287	-10618	-10324	-10606
AT CURRENT PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	8383	7378	8179	9124	9114	9119	9153	10177	11169	10168
Services, credits	..	..	..	1469	1520	1577	1681	1730	1770	1913	1936	2130	2207
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	9852	8898	9756	10805	10844	10889	11066	12113	13299	12375
Merchandise imports fob	..	..	..	-9128	-8660	-9093	-9288	-9440	-9348	-9248	-10180	-10877	-10188
Services, debits	..	..	..	-2444	-2452	-2530	-2606	-2614	-2587	-2721	-2871	-2946	-2787
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-11572	-11112	-11623	-11894	-12054	-11935	-11969	-13051	-13823	-12975
AT AVERAGE 1984-85 PRICES - SEASONALLY ADJUSTED													
Merchandise exports fob	..	..	..	8068	7339	7686	8645	8516	8717	8516	8944	9303	8387
Services, credits	..	..	..	1306	1355	1362	1422	1438	1458	1547	1564	1675	1708
TOTAL EXPORTS OF GOODS AND SERVICES	..	..	..	9374	8694	9048	10067	9954	10175	10063	10508	10978	10095
Merchandise imports fob	..	..	..	-7777	-7539	-7429	-7464	-7540	-7680	-7553	-8268	-8617	-8437
Services, debits	..	..	..	-2077	-2113	-1994	-2082	-2060	-2109	-2245	-2250	-2271	-2243
TOTAL IMPORTS OF GOODS AND SERVICES	..	..	..	-9854	-9652	-9423	-9546	-9600	-9789	-9798	-10518	-10888	-10680

TABLE 6. BALANCE OF PAYMENTS - EXPORTS AND IMPORTS OF GOODS AND SERVICES - IMPLICIT PRICE DEFLATORS AND TERMS OF TRADE (1984-85 =100) (a)

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87		1987-88					
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
IMPLICIT PRICE DEFLATORS													
Merchandise exports													
Rural exports fob	102.5	105.6	128.7	103.3	100.3	104.3	104.5	107.0	106.5	110.6	122.9	138.3	140.6
Non-rural exports fob	105.2	106.0	109.6	104.3	100.7	107.8	106.2	107.0	103.5	105.7	108.7	111.1	112.9
Total exports fob	104.2	105.8	116.1	103.9	100.5	106.4	105.5	107.0	104.6	107.5	113.8	120.1	121.2
Services, credits	110.4	119.0	126.1	112.5	112.2	115.8	118.2	120.3	121.4	123.7	123.8	127.2	129.2
TOTAL EXPORTS OF GOODS & SERVICES	105.1	107.7	117.6	105.1	102.3	107.8	107.3	108.9	107.0	110.0	115.3	121.1	122.6
Merchandise imports fob (b)													
Exogenous imports fob	102.8	89.1	85.5	106.4	83.4	81.1	91.7	90.9	93.8	89.1	86.6	84.9	76.6
Endogenous imports fob	116.6	130.3	129.1	119.2	119.7	131.9	132.3	130.4	126.8	127.4	129.5	132.4	127.7
Total imports fob	114.7	123.5	123.1	117.4	114.9	122.4	124.4	125.2	121.7	122.4	123.1	126.2	120.8
Services, debits (b)	116.0	125.4	125.5	117.7	116.0	126.9	125.2	126.9	122.7	121.2	127.6	129.7	124.3
TOTAL IMPORTS OF GOODS & SERVICES	114.9	123.9	123.6	117.4	115.1	123.3	124.6	125.6	121.9	122.2	124.1	127.0	121.5
TERMS OF TRADE													
Merchandise trade (c)	90.8	85.7	94.3	88.5	87.5	86.9	84.8	85.5	85.9	87.8	92.4	95.2	100.3
Services (d)	95.2	94.9	100.5	95.6	96.7	91.3	94.4	94.8	98.9	102.1	97.0	98.1	103.9
Goods and services (e)	91.5	86.9	95.1	89.5	88.9	87.4	86.1	86.7	87.8	90.0	92.9	95.4	100.9

(a) Quarterly figures are derived from seasonally adjusted data. (b) These entries carry the opposite sign to related entries in Tables 1,2,3,5,7,8,9,10 and 12. See paragraph 7 of the Explanatory Notes. (c) Derived by dividing the IPD for merchandise exports fob by the IPD for merchandise imports fob. (d) Derived by dividing the IPD for services, credits by the IPD for services, debits. (e) Derived by dividing the IPD for total exports of goods and services by the IPD for total imports of goods and services.

TABLE 7. MERCHANDISE (BALANCE OF PAYMENTS BASIS)

	SMILLION												
	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87		1987-88					
			MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	
EXPORTS FOB (a) (b) -													
RURAL EXPORTS FOB -													
Meat and meat preparations	1699	2244	2550	380	460	545	589	512	598	610	656	618	666
Cereals and cereal preparations	3880	2778	2222	1276	949	687	718	649	724	626	551	631	414
Sugar, sugar preps. and honey	646	708	703	122	201	214	165	157	172	193	162	153	195
Wool and sheepskins	3061	3888	5811	914	733	671	943	1106	1168	906	1547	1905	1453
Other (dairy produce, fruit etc.)	2956	3513	3938	702	735	867	893	811	942	969	929	1001	1039
TOTAL RURAL	12242	13131	15224	3394	3078	2984	3308	3235	3604	3304	3845	4308	3767
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	5003	4956	5437	1120	1244	1307	1435	1041	1173	1268	1430	1301	1438
Mineral fuels -													
Coal, coke and briquettes	5240	5456	4847	1332	1229	1388	1440	1273	1355	1140	1328	1268	1111
Other	2299	1515	1799	613	175	241	425	415	434	410	532	456	401
Metals and metal manufactures	2718	3142	4011	672	605	804	738	777	823	948	1035	973	1055
Machinery and transport equipment	1613	2629	2816	345	429	500	770	685	674	708	666	648	794
Other	3093	4594	6420	659	869	965	1090	1190	1349	1352	1470	1664	1934
TOTAL NON-RURAL	19966	22292	25330	4741	4551	5205	5898	5381	5808	5826	6461	6310	6733
TOTAL EXPORTS FOB	32208	35423	40554	8135	7629	8189	9206	8616	9412	9130	10306	10618	10500
IMPORTS FOB (a) (b) -													
Food, beverages and tobacco	-1705	-1936	-2013	-427	-464	-451	-508	-540	-437	-481	-515	-553	-464
Fuels	-1909	-1751	-2032	-490	-310	-424	-472	-427	-428	-412	-613	-490	-517
Basic materials	-1109	-1177	-1431	-263	-288	-278	-271	-287	-341	-356	-310	-379	-386
Chemicals (including plastics)	-3003	-3466	-4280	-739	-780	-829	-844	-855	-938	-990	-1021	-1146	-1123
Textiles, fabrics etc	-1669	-1830	-1930	-380	-430	-474	-455	-428	-473	-512	-496	-447	-475
Metals and metal manufactures	-1695	-1845	-2204	-409	-435	-497	-446	-429	-473	-564	-547	-540	-553
Machinery and transport equipment	-16242	-15862	-16393	-3907	-3829	-4139	-4124	-3607	-3992	-3861	-4224	-4110	-4198
Other	-8344	-9292	-10127	-1996	-2033	-2480	-2317	-2330	-2165	-2555	-2635	-2577	-2360
TOTAL IMPORTS FOB (a)	-35676	-37159	-40410	-8611	-8569	-9572	-9437	-8903	-9247	-9731	-10361	-10242	-10076
Of which:													
Exogenous (c)	-4539	-4459	-3837	-1167	-828	-1122	-1321	-910	-1106	-940	-1065	-955	-877
Endogenous (c)													
Consumption goods	-8123	-8296	-9329	-1872	-1909	-2235	-2163	-2065	-1833	-2245	-2442	-2466	-2176
Capital goods	-8146	-8031	-8609	-1977	-1975	-2094	-2022	-1925	-1990	-1963	-2278	-2083	-2285
Other goods	-14868	-16373	-18635	-3595	-3857	-4121	-3931	-4003	-4318	-4583	-4576	-4738	-4738
Total	-31137	-32700	-36573	-7444	-7741	-8450	-8116	-7993	-8141	-8791	-9296	-9287	-9199
BALANCE ON MERCHANDISE TRADE	-3468	-1736	144	-476	-940	-1383	-231	-287	165	-601	-55	376	424

(a) From March Quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) For composition of component series, see paragraph 10 of the Explanatory Notes. (c) For definitions, see paragraphs 14, 15 and 16 of the Explanatory Notes.

TABLE 8. MERCHANDISE (BALANCE OF PAYMENTS BASIS) AT AVERAGE 1984-85 PRICES

\$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
EXPORTS FOB (a) (b)-													
RURAL EXPORTS FOB -													
Meat and meat preparations	1639	1930	2126	360	464	490	492	438	510	518	536	514	558
Cereals and cereal preparations	3957	3462	2781	1300	1028	734	861	865	1002	859	725	718	479
Sugar, sugar preps. and honey	640	630	647	117	182	177	152	140	161	177	170	120	180
Wool and sheepskins	2823	3253	3206	828	675	612	824	917	900	635	922	976	673
Other (dairy produce, fruit etc.)	2879	3164	3068	684	715	838	810	710	806	801	724	765	778
TOTAL RURAL	11938	12439	11828	3289	3064	2851	3139	3070	3379	2990	3077	3093	2668
NON-RURAL EXPORTS FOB -													
Metal ores and minerals	4819	4733	5118	1110	1255	1181	1354	1004	1194	1254	1379	1221	1264
Mineral fuels -													
Coal, coke and briquettes	4886	5232	5541	1223	1188	1226	1335	1214	1457	1279	1495	1452	1315
Other	2275	2347	2586	607	274	436	729	585	597	559	737	658	632
Metals and metal manufactures	2659	2757	2898	668	609	718	638	685	716	738	752	681	727
Machinery and transport equipment	1532	2371	2509	330	401	446	683	624	618	641	580	591	697
Other	2805	3592	4465	603	787	808	839	926	1019	1009	1040	1100	1316
TOTAL NON-RURAL	18976	21032	23117	4541	4514	4815	5578	5038	5601	5480	5983	5703	5951
TOTAL EXPORTS FOB	30914	33471	34945	7830	7578	7666	8717	8108	8980	8470	9060	8796	8619
IMPORTS FOB (a) (b)-													
Food, beverages and tobacco	-1488	-1532	-1640	-369	-387	-356	-396	-420	-360	-398	-414	-449	-379
Fuels	-2070	-2753	-2953	-492	-528	-830	-746	-601	-576	-562	-844	-721	-826
Basic materials	-1023	-1021	-1177	-241	-267	-247	-239	-243	-292	-310	-260	-294	-313
Chemicals (including plastics)	-2608	-2769	-3292	-631	-670	-653	-665	-685	-766	-795	-787	-855	-855
Textiles, fabrics etc	-1444	-1426	-1465	-322	-365	-364	-354	-334	-374	-399	-369	-332	-365
Metals and metal manufactures	-1455	-1424	-1639	-348	-368	-382	-336	-331	-375	-436	-404	-388	-411
Machinery and transport equipment	-13923	-12265	-13245	-3283	-3201	-3114	-3138	-2782	-3231	-3100	-3420	-3235	-3490
Other	-7102	-6905	-7414	-1656	-1677	-1844	-1702	-1730	-1629	-1931	-1914	-1857	-1712
TOTAL IMPORTS FOB (a)	-31113	-30095	-32825	-7342	-7463	-7790	-7576	-7126	-7603	-7931	-8412	-8131	-8351
Of which:													
Exogenous (c)	-4417	-5005	-4486	-1097	-991	-1383	-1442	-1002	-1178	-984	-1233	-1126	-1143
Endogenous (c)													
Consumption goods	-6893	-6197	-7001	-1551	-1562	-1671	-1605	-1529	-1392	-1738	-1841	-1805	-1617
Capital goods	-7051	-6331	-7151	-1674	-1687	-1599	-1587	-1510	-1635	-1623	-1889	-1690	-1949
Other goods	-12752	-12562	-14187	-3020	-3223	-3137	-2942	-3085	-3398	-3586	-3449	-3510	-3642
Total	-26696	-25090	-28339	-6245	-6472	-6407	-6134	-6124	-6425	-6947	-7179	-7005	-7208
BALANCE ON MERCHANDISE TRADE	-199	3376	2120	488	115	-124	1141	982	1377	539	648	665	268

(a) From March Quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) See footnote (b) to Table 7. (c) See footnote (c) to Table 7.

TABLE 9. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - SEASONALLY ADJUSTED

\$MILLION

	QUARTERS ENDED-									
	1985-86		1986-87				1987-88			
	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
EXPORTS FOB (a) (b) -										
RURAL EXPORTS FOB -										
Meat and meat preparations	444	444	497	582	599	577	557	648	723	642
Cereals and cereal preparations	1032	904	789	854	524	690	719	656	509	395
Sugar, sugar preps. and honey	170	183	176	171	216	157	159	169	209	179
Wool and sheepskins	801	682	864	933	974	1083	1170	1528	1682	1344
Other (dairy produce, fruit etc.)	789	699	808	905	908	902	901	941	1119	997
TOTAL RURAL	3236	2912	3134	3445	3221	3409	3506	3942	4242	3557
NON-RURAL EXPORTS FOB -										
Metal ores and minerals	1315	1224	1231	1337	1226	1153	1198	1327	1535	1412
Mineral fuels -										
Coal, coke and briquettes	1369	1195	1409	1412	1317	1320	1159	1295	1315	1083
Other	625	180	251	390	425	443	433	481	469	408
Metals and metal manufactures	707	599	757	756	817	816	890	1062	1023	1048
Machinery and transport equipment	403	438	478	691	795	690	678	597	749	814
Other	728	830	919	1093	1313	1288	1289	1473	1836	1846
TOTAL NON-RURAL	5147	4466	5045	5679	5893	5710	5647	6235	6927	6611
TOTAL EXPORTS FOB	8383	7378	8179	9124	9114	9119	9153	10177	11169	10168
IMPORTS FOB (a) (b) -										
Food, beverages and tobacco	-421	-471	-462	-495	-532	-443	-495	-501	-545	-470
Fuels	-486	-313	-425	-470	-424	-433	-412	-609	-487	-524
Basic materials	-283	-275	-262	-282	-308	-326	-336	-321	-407	-369
Chemicals (including plastics)	-776	-755	-798	-864	-899	-907	-954	-1043	-1206	-1086
Textiles, fabrics etc	-421	-432	-438	-447	-474	-474	-473	-487	-495	-476
Metals and metal manufactures	-432	-434	-468	-449	-454	-473	-531	-548	-573	-554
Machinery and transport equipment	-4243	-3826	-3934	-4001	-3934	-3994	-3673	-4082	-4492	-4203
Other	-2066	-2154	-2306	-2280	-2415	-2298	-2374	-2589	-2672	-2506
TOTAL IMPORTS FOB (a)	-9128	-8660	-9093	-9288	-9440	-9348	-9248	-10180	-10877	-10188
Of which:										
Exogenous (c)	-1163	-831	-1123	-1319	-907	-1111	-940	-1061	-952	-884
Endogenous (c)										
Consumption goods	-1983	-2078	-2086	-2028	-2188	-1997	-2096	-2285	-2614	-2372
Capital goods	-2125	-1938	-1971	-2041	-2068	-1958	-1854	-2284	-2237	-2252
Other goods	-3857	-3813	-3913	-3900	-4277	-4282	-4358	-4550	-5074	-4680
Total	-7965	-7829	-7970	-7969	-8533	-8237	-8308	-9119	-9925	-9304
BALANCE ON MERCHANDISE TRADE	-745	-1282	-914	-164	-326	-229	-95	-3	292	-20

(a) From March quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) See footnote (b) to Table 7. (c) See footnote (c) to Table 7.

TABLE 10. MERCHANDISE (BALANCE OF PAYMENTS BASIS) - AT AVERAGE 1984-85 PRICES - SEASONALLY ADJUSTED \$MILLION

	QUARTERS ENDED-									
	1985-86		1986-87				1987-88			
	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
EXPORTS FOB (a) (b) -										
RURAL EXPORTS FOB -										
Meat and meat preparations	421	448	447	486	512	492	473	529	602	538
Cereals and cereal preparations	1051	979	843	1024	698	955	986	863	579	457
Sugar, sugar preps. and honey	167	168	146	152	198	148	147	171	169	165
Wool and sheepskins	726	628	788	815	808	834	820	911	862	622
Other (dairy produce, fruit etc.)	769	680	781	821	795	771	745	733	855	747
TOTAL RURAL	3134	2903	3005	3298	3011	3200	3171	3207	3067	2529
NON-RURAL EXPORTS FOB -										
Metal ores and minerals	1303	1235	1112	1262	1183	1173	1185	1279	1441	1241
Mineral fuels -										
Coal, coke and briquettes	1257	1155	1244	1309	1256	1419	1300	1457	1506	1282
Other	619	282	454	668	600	610	591	667	676	643
Metals and metal manufactures	703	603	676	653	720	710	693	772	716	722
Machinery and transport equipment	386	409	426	613	724	632	614	520	683	714
Other	666	752	769	842	1022	973	962	1042	1214	1256
TOTAL NON-RURAL	4934	4436	4681	5347	5505	5517	5345	5737	6236	5858
TOTAL EXPORTS FOB	8068	7339	7686	8645	8516	8717	8516	8944	9303	8387
IMPORTS FOB (a) (b) -										
Food, beverages and tobacco	-364	-393	-365	-386	-414	-365	-409	-402	-443	-384
Fuels	-488	-533	-832	-743	-597	-583	-562	-839	-716	-837
Basic materials	-260	-255	-232	-249	-261	-279	-293	-270	-316	-299
Chemicals (including plastics)	-662	-648	-629	-681	-720	-741	-766	-804	-900	-827
Textiles, fabrics etc	-356	-367	-336	-348	-370	-375	-369	-362	-368	-366
Metals and metal manufactures	-368	-367	-360	-338	-351	-375	-411	-405	-412	-412
Machinery and transport equipment	-3565	-3199	-2960	-3044	-3034	-3233	-2949	-3305	-3536	-3494
Other	-1714	-1777	-1715	-1675	-1793	-1729	-1794	-1881	-1926	-1818
TOTAL IMPORTS FOB (a)	-7777	-7539	-7429	-7464	-7540	-7680	-7553	-8268	-8617	-8437
Of which:										
Exogenous (c)	-1093	-996	-1385	-1439	-998	-1185	-984	-1228	-1121	-1154
Endogenous (c)										
Consumption goods	-1643	-1700	-1560	-1505	-1620	-1517	-1623	-1723	-1913	-1762
Capital goods	-1800	-1655	-1505	-1602	-1622	-1609	-1533	-1894	-1815	-1921
Other goods	-3241	-3188	-2979	-2918	-3300	-3369	-3413	-3423	-3768	-3600
Total	-6684	-6543	-6044	-6025	-6542	-6495	-6569	-7040	-7496	-7283
BALANCE ON MERCHANDISE TRADE	291	-200	257	1181	976	1037	963	676	686	-50

(a) From March quarter 1988 the entries for categories of exports fob and imports fob are not strictly comparable with entries for earlier periods. (b) See footnote (b) to Table 7. (c) See footnote (c) to Table 7.

TABLE 11. MERCHANDISE - FOREIGN TRADE STATISTICS ADJUSTED FOR BALANCE OF PAYMENTS PURPOSES \$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87				1987-88			
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
EXPORTS -													
Foreign trade statistics	32793	35781	40928	8336	7764	8312	9281	8746	9442	9172	10498	10710	10548
Adjustments -													
Coverage	-486	-379	-447	-133	-97	-94	-138	-163	16	-115	-141	-103	-88
Timing	-99	21	73	-68	-38	-29	63	33	-46	73	-51	11	40
Merchandise exports (balance of payments basis)	32208	35423	40554	8135	7629	8189	9206	8616	9412	9130	10306	10618	10500
IMPORTS -													
Foreign trade statistics	34691	36989	40588	8500	8443	9599	9174	9142	9074	9836	10414	10264	10074
Adjustments -													
Coverage	797	114	-114	306	31	32	50	-70	102	-51	-70	3	4
Timing	160	56	-39	-204	87	-70	250	-191	67	-48	27	-18	-
Valuation	28	-	-25	9	8	11	-37	22	4	-6	-10	-7	-2
Merchandise imports (balance of payments basis) (a)	35676	37159	40410	8611	8569	9572	9437	8903	9247	9731	10361	10242	10076

(a) These entries carry the opposite sign to corresponding entries in Tables 1,2,3,5,7,8,9 and 10. See paragraph 7 of the Explanatory Notes.

TABLE 13. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME CREDITS

\$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87		1987-88					
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
PROPERTY INCOME -													
Investment income -													
Official -													
General government	37	43	47	10	7	11	8	12	12	11	13	12	11
Reserve Bank (a)	598	531	706	134	144	141	115	115	160	188	203	140	175
Total official	635	574	753	144	151	152	123	127	172	199	216	152	186
Non-official -													
Direct investment income -													
Reinvested earnings	681	1186	1220	171	170	296	296	297	297	305	305	305	305
Distributed earnings -													
Remitted profits	70	36	80	3	3	17	3	9	7	6	46	8	20
Dividends	335	448	352	113	55	40	18	74	316	39	14	21	278
Interest	-67	-135	-166	-15	-48	-17	-24	-5	-89	-34	-46	-22	-64
Total	338	349	266	101	10	40	-3	78	234	11	14	7	234
Total direct investment income	1019	1535	1486	272	180	336	293	375	531	316	319	312	539
Portfolio and other investment income -													
Dividends	60	162	109	12	21	25	52	53	32	32	35	23	19
Interest	252	277	456	78	70	95	36	85	61	95	123	147	91
Total	312	439	565	90	91	120	88	138	93	127	158	170	110
Total non-official	1331	1974	2051	362	271	456	381	513	624	443	477	482	649
Total investment income	1966	2548	2804	506	422	608	504	640	796	642	693	634	835
Other property income	160	210	180	29	56	42	79	61	28	52	43	45	40
TOTAL PROPERTY INCOME	2126	2758	2984	535	478	650	583	701	824	694	736	679	875
LABOUR AND OTHER INCOME -													
Labour income -													
Earnings in Australia	42	45	47	11	11	11	11	12	11	12	12	12	11
Earnings abroad	133	133	164	26	28	33	29	34	37	47	39	40	38
Total	175	178	211	37	39	44	40	46	48	59	51	52	49
Insurance income	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LABOUR AND OTHER INCOME	175	178	211	37	39	44	40	46	48	59	51	52	49
TOTAL INCOME CREDITS	2301	2936	3195	572	517	694	623	747	872	753	787	731	924

(a) Also includes interest/remuneration received from the IMF on behalf of the Commonwealth Government.

TABLE 14. BALANCE OF PAYMENTS - CURRENT ACCOUNT - INCOME DEBITS

\$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86			1986-87			1987-88			
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
PROPERTY INCOME -													
Investment income -													
Official -													
General government -													
Interest on borrowing domiciled abroad	-1009	-1463	-1761	-246	-211	-365	-419	-356	-323	-341	-563	-473	-384
Interest on borrowing domiciled in Australia	-580	-951	-1348	-184	-203	-161	-197	-274	-319	-244	-269	-410	-425
Total	-1589	-2414	-3109	-430	-414	-526	-616	-630	-642	-585	-832	-883	-809
Reserve Bank (a)	-23	-22	-22	-6	-5	-	-11	-6	-5	-5	-6	-6	-5
Total official	-1612	-2436	-3131	-436	-419	-526	-627	-636	-647	-590	-838	-889	-814
Non-official -													
Direct investment income -													
Reinvested earnings	-936	-1206	-1400	-234	-234	-301	-301	-302	-302	-350	-350	-350	-350
Distributed earnings -													
Remitted profits	-185	-190	-141	-31	-26	-46	-82	-43	-19	-26	-45	-38	-32
Dividends	-766	-538	-810	-125	-120	-177	-147	-106	-108	-243	-191	-222	-154
Interest	-644	-633	-647	-149	-155	-156	-165	-170	-142	-166	-144	-137	-200
Total	-1595	-1361	-1598	-305	-301	-379	-394	-319	-269	-435	-380	-397	-386
Total direct investment income	-2531	-2567	-2998	-539	-535	-680	-695	-621	-571	-785	-730	-747	-736
Portfolio and other investment income -													
Dividends	-524	-998	-1041	-174	-210	-74	-125	-346	-453	-131	-194	-291	-425
Interest -													
Public sector	-1673	-1826	-1886	-573	-422	-408	-409	-528	-481	-419	-374	-537	-556
Private sector	-3149	-3442	-3775	-797	-907	-734	-822	-866	-1020	-771	-961	-939	-1104
Total	-4822	-5268	-5661	-1370	-1329	-1142	-1231	-1394	-1501	-1190	-1335	-1476	-1660
Total portfolio and other investment income	-5346	-6266	-6702	-1544	-1539	-1216	-1356	-1740	-1954	-1321	-1529	-1767	-2085
Total non-official	-7877	-8833	-9700	-2083	-2074	-1896	-2051	-2361	-2525	-2106	-2259	-2514	-2821
Total investment income	-9489	-11269	-12831	-2519	-2493	-2422	-2678	-2997	-3172	-2696	-3097	-3403	-3635
Other property income -													
Cinema and TV film royalties	-171	-180	-190	-43	-28	-69	-35	-42	-34	-50	-24	-48	-68
Other	-522	-565	-605	-155	-178	-104	-158	-177	-126	-144	-154	-149	-158
Total	-693	-745	-795	-198	-206	-173	-193	-219	-160	-194	-178	-197	-226
TOTAL PROPERTY INCOME	-10182	-12014	-13626	-2717	-2699	-2595	-2871	-3216	-3332	-2890	-3275	-3600	-3861
LABOUR AND OTHER INCOME -													
Official	-50	-61	-61	-12	-12	-15	-15	-16	-15	-16	-16	-16	-13
Non-official													
Labour income	-112	-135	-200	-28	-24	-23	-32	-43	-37	-40	-53	-56	-51
Insurance income	-12	-	-	-3	-3	-	-	-	-	-	-	-	-
Total non-official	-124	-135	-200	-31	-27	-23	-32	-43	-37	-40	-53	-56	-51
TOTAL LABOUR AND OTHER INCOME	-174	-196	-261	-43	-39	-38	-47	-59	-52	-56	-69	-72	-64
TOTAL INCOME DEBITS	-10356	-12210	-13887	-2760	-2738	-2633	-2918	-3275	-3384	-2946	-3344	-3672	-3925

(a) Also includes interest /charges paid to the IMF on behalf of the Commonwealth Government.

TABLE 15. BALANCE OF PAYMENTS - CURRENT ACCOUNT - UNREQUITED TRANSFERS

\$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
CREDITS -													
Official	697	786	818	180	202	186	199	219	182	207	181	194	236
Non-official -													
Migrants' transfers	1348	1657	2074	331	352	357	423	438	439	460	533	539	542
Foreign government pensions	27	30	36	8	8	6	6	9	9	8	8	10	10
Miscellaneous transfers	445	544	618	109	116	124	142	128	150	137	159	160	162
Total	1820	2231	2728	448	476	487	571	575	598	605	700	709	714
TOTAL UNREQUITED TRANSFERS CREDITS	2517	3017	3546	628	678	673	770	794	780	812	881	903	950
DEBITS -													
Official -													
Foreign aid -													
Papua New Guinea aid	-337	-348	-323	-87	-85	-85	-90	-90	-83	-74	-81	-84	-84
Other foreign aid	-463	-395	-462	-113	-218	-56	-70	-113	-156	-53	-78	-146	-185
Total	-800	-743	-785	-200	-303	-141	-160	-203	-239	-127	-159	-230	-269
Pensions	-124	-134	-146	-35	-36	-30	-31	-36	-37	-33	-33	-40	-40
Miscellaneous transfers	-56	-68	-63	-34	-6	-6	-12	-44	-6	-7	-12	-32	-12
Total official	-980	-945	-994	-269	-345	-177	-203	-283	-282	-167	-204	-302	-321
Non-official -													
Migrants' transfers	-296	-306	-319	-84	-70	-74	-81	-75	-76	-77	-84	-77	-81
Withholding taxes	na	-22	-28	na	na	-5	-5	-6	-6	-7	-7	-7	-7
Miscellaneous transfers	-408	-418	-436	-116	-96	-102	-107	-104	-105	-107	-111	-107	-111
Total non-official	-720	-746	-783	-204	-170	-181	-193	-185	-187	-191	-202	-191	-199
TOTAL UNREQUITED TRANSFERS DEBITS	-1700	-1691	-1777	-473	-515	-358	-396	-468	-469	-358	-406	-493	-520
NET UNREQUITED TRANSFERS	817	1326	1769	155	163	315	374	326	311	454	475	410	430

TABLE 16. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF GENERAL GOVERNMENT \$MILLION

	YEAR			QUARTERS ENDED										
	1985-86	1986-87	1987-88	1985-86			1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	
FOREIGN INVESTMENT IN AUSTRALIA -														
BORROWING -														
Domiciled abroad -														
Commonwealth Government -														
Drawings	2876	3084	-	1519	402	442	1828	814	-	-	-	-	-	-
Repayments	-1605	-2359	-1622	-440	-367	-959	-508	-637	-255	-422	-290	-145	-765	-
Total	1271	725	-1622	1079	35	-517	1320	177	-255	-422	-290	-145	-765	-
State government -														
Drawings	2098	2964	4501	815	394	289	463	842	1370	1294	387	1650	1170	-
Repayments	-637	-442	-2618	-130	-427	-75	-155	-104	-108	-226	-514	-1058	-820	-
Total	1461	2522	1883	685	-33	214	308	738	1262	1068	-127	592	350	-
Total domiciled abroad	2732	3247	261	1764	2	-303	1628	915	1007	646	-417	447	-415	-
Domiciled in Australia -														
Purchases by non - residents	7363	12236	22537	2633	2175	1649	1971	2789	5827	5212	3596	7823	5906	-
Sales by non - residents	-4486	-9337	-20398	-1342	-1825	-1699	-1446	-2058	-4134	-4657	-3915	-5916	-5910	-
Total domiciled in Australia	2877	2899	2139	1291	350	-50	525	731	1693	555	-319	1907	-4	-
TOTAL BORROWING	5609	6146	2400	3055	352	-353	2153	1646	2700	1201	-736	2354	-419	-
OTHER	30	-12	-93	-12	31	-19	73	-28	-38	-	-15	-27	-51	-
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	5639	6134	2330	3043	383	-372	2226	1618	2662	1201	-751	2327	-447	-
AUSTRALIAN INVESTMENT ABROAD -														
Lending	-32	-166	-280	130	-47	-26	28	-103	-65	13	-47	-103	-143	-
Accounts receivable/prepayments made	-45	-313	120	-49	-101	87	-196	107	-311	154	74	-34	-74	-
Other	-136	-94	574	-3	-60	-	-86	-	-8	-1	-4	-4	583	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	-213	-573	414	78	-208	61	-254	4	-384	166	23	-141	366	-
TOTAL GENERAL GOVERNMENT	5426	5561	2744	3121	175	-311	1972	1622	2278	1367	-728	2186	-81	-

TABLE 17. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE RESERVE BANK \$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87		1987-88					
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
FOREIGN INVESTMENT IN AUSTRALIA -													
Use of IMF credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-16	18	-8	-20	16	-7	8	-	17	-1	-11	1	3
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	-16	18	-8	-20	16	-7	8	-	17	-1	-11	1	3
AUSTRALIAN INVESTMENT ABROAD-													
RESERVE ASSETS -													
Official reserve assets -													
Monetary gold	-	-	-	-	-	-	-	-	-	-	-	-	-
SDRs	-53	-4	20	5	5	-	-	5	-9	4	6	5	5
Reserve position in IMF	-4	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange	2197	-3390	-3944	-484	736	2790	-4070	1561	-3671	-1860	3574	-1082	-4576
Total	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
Allocation of SDRs	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RESERVE ASSETS	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL AUSTRALIAN INVESTMENT ABROAD	2140	-3394	-3924	-479	741	2790	-4070	1566	-3680	-1856	3580	-1077	-4571
TOTAL RESERVE BANK	2124	-3376	-3932	-499	757	2783	-4062	1566	-3663	-1857	3569	-1076	-4568

TABLE 18. BALANCE OF PAYMENTS - CAPITAL ACCOUNT - NET CAPITAL TRANSACTIONS OF THE NON-OFFICIAL SECTOR **\$ MILLION**

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
FOREIGN INVESTMENT IN AUSTRALIA -													
DIRECT INVESTMENT -													
Reinvestment of earnings	936	1206	1400	234	234	301	301	302	302	350	350	350	350
Corporate equities	2143	1734	287	397	805	93	1353	-410	698	-202	-43	261	271
Net equity in branches	-315	95	507	-708	211	-334	52	397	-20	523	-58	-80	122
Borrowing (a)	275	1873	1319	105	555	260	1171	445	-3	434	-45	-17	947
Other	304	-348	52	11	106	-123	-108	-342	225	151	190	-364	75
TOTAL DIRECT INVESTMENT	3343	4560	3565	39	1911	197	2769	392	1202	1256	394	150	1765
PORTFOLIO AND OTHER INVESTMENT -													
Corporate equities	-121	4046	1302	-54	-46	570	851	972	1653	1182	180	45	-105
Borrowing (a) -													
Public sector	1928	1	4050	1567	568	534	39	364	-936	425	-110	2480	1255
Private sector	8440	6855	7394	2416	1596	2612	1087	2480	676	1273	2753	-157	3525
Total	10368	6856	11444	3983	2164	3146	1126	2844	-260	1698	2643	2323	4780
Accounts payable/prepayments received -													
Public sector	-48	-141	-469	-10	-10	-8	-11	-3	-119	-481	37	-17	-8
Private sector	17	304	555	26	-136	233	-139	-158	368	304	312	-62	1
Total	-31	163	86	16	-146	225	-150	-161	249	-177	349	-79	-7
TOTAL PORTFOLIO AND OTHER INVESTMENT	10216	11065	12832	3945	1972	3941	1827	3655	1642	2703	3172	2289	4668
TOTAL FOREIGN INVESTMENT IN AUSTRALIA	13559	15625	16397	3984	3883	4138	4596	4047	2844	3959	3566	2439	6433
AUSTRALIAN INVESTMENT ABROAD -													
DIRECT INVESTMENT -													
Reinvestment of earnings	-681	-1186	-1220	-171	-170	-296	-296	-297	-297	-305	-305	-305	-305
Corporate equities	-2103	-2375	-4338	-397	-759	-214	-1007	-426	-728	-680	-2144	-1363	-151
Net equity in branches	-281	-398	-149	-15	-189	-149	-94	-27	-128	-47	-73	6	-35
Lending (a)	270	396	-281	80	89	-515	-149	280	780	-672	181	-129	339
Other	26	-122	76	36	35	-32	-5	-10	-75	38	50	-27	15
TOTAL DIRECT INVESTMENT	-2769	-3685	-5912	-467	-994	-1206	-1551	-480	-448	-1666	-2291	-1818	-137
PORTFOLIO AND OTHER INVESTMENT -													
Corporate equities	-2624	-3185	1824	-945	-668	-521	-520	-828	-1316	-449	2084	-129	318
Lending -													
Banks (a)	-318	-1343	-140	-74	-85	-516	-276	-782	231	-251	270	22	-181
Non-bank enterprises	-987	684	-1558	96	-438	245	289	-102	252	-391	-2142	1172	-197
Total	-1305	-659	-1698	22	-523	-271	13	-884	483	-642	-1872	1194	-378
Accounts receivable/prepayments made -													
Public sector	-60	-10	-70	-73	76	-117	46	-29	90	-	-87	85	-68
Private sector	-40	-262	-663	7	190	-21	-66	-54	-121	-45	-450	-139	-29
Total	-100	-272	-733	-66	266	-138	-20	-83	-31	-45	-537	-54	-97
TOTAL PORTFOLIO AND OTHER INVESTMENT	-4029	-4116	-607	-989	-925	-930	-527	-1795	-864	-1136	-325	1011	-157
TOTAL AUSTRALIAN INVESTMENT ABROAD	-6798	-7801	-6519	-1456	-1919	-2136	-2078	-2275	-1312	-2802	-2616	-807	-294
TOTAL NON-OFFICIAL	6761	7824	9878	2528	1964	2002	2518	1772	1532	1157	950	1632	6139

(a) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details.

TABLE 19. NET BORROWING TRANSACTIONS OF THE NON-OFFICIAL SECTOR

\$MILLION

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87			1987-88				
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
DIRECT INVESTMENT BORROWING -													
Domiciled abroad -													
Drawings	38472	44351	31524	7737	10416	15568	18677	6625	3481	9964	7586	4496	9478
Repayments	-38197	-42486	-30147	-7632	-9861	-15308	-17507	-6180	-3491	-9530	-7631	-4513	-8473
Total	275	1865	1377	105	555	260	1170	445	-10	434	-45	-17	1005
Domiciled in Australia	-	8	-58	-	-	-	1	-	7	-	-	-	-58
TOTAL DIRECT INVESTMENT BORROWING	275	1873	1319	105	555	260	1171	445	-3	434	-45	-17	947
OTHER BORROWING -													
Domiciled abroad -													
Banks (a) -													
Drawings	18090	23189	26269	3313	7342	6767	4666	5746	6010	5448	6192	5960	8669
Repayments	-14292	-18897	-24283	-2160	-5935	-3557	-4353	-5250	-5737	-4648	-5743	-7387	-6505
Total	3798	4292	1986	1153	1407	3210	313	496	273	800	449	-1427	2164
Non-bank enterprises -													
Drawings	53239	72847	70411	14970	14190	15903	17919	20578	18447	18135	19062	17215	15999
Repayments	-48011	-69635	-64673	-13041	-13534	-14989	-17412	-17967	-19267	-17744	-16832	-15516	-14581
Total	5228	3212	5738	1929	656	914	507	2611	-820	391	2230	1699	1418
Total domiciled abroad	9026	7504	7724	3082	2063	4124	820	3107	-547	1191	2679	272	3582
Domiciled in Australia -													
Banks (a) -													
Securities	600	-303	-197	263	175	-194	-67	-188	146	-176	-69	119	-71
Deposits	-24	-65	1545	300	-336	-576	310	168	33	428	-5	160	962
Total	576	-368	1348	563	-161	-770	243	-20	179	252	-74	279	891
Non-bank enterprises	766	-280	2372	338	262	-208	63	-243	108	255	38	1772	307
Total domiciled in Australia	1342	-648	3720	901	101	-978	306	-263	287	507	-36	2051	1198
of which -													
Public sector securities	387	-402	2377	170	123	-258	-88	-249	193	212	47	1928	190
TOTAL OTHER BORROWING	10368	6856	11444	3983	2164	3146	1126	2844	-260	1698	2643	2323	4780
TOTAL BORROWING (b)	10643	8729	12763	4088	2719	3406	2297	3289	-263	2132	2598	2306	5727

(a) A series break occurs for banks at 30 June 1986. See Appendix C, Part III of Foreign Investment, Australia, 1985-86 (5305.0) for details. (b) Corresponds to the sum of direct investment borrowing and total portfolio and other investment borrowing in Table 18.

TABLE 20. OFFICIAL RESERVE ASSETS AND EXCHANGE RATES

	YEAR			QUARTERS ENDED									
	1985-86	1986-87	1987-88	1985-86		1986-87				1987-88			
				MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN
OFFICIAL RESERVE ASSETS													
(\$ MILLION) -													
Levels at end of year/month	13024	17594	20182	12811	13024	12615	15561	13866	17594	19557	17430	17331	20182
Changes in levels	-493	4570	2588	595	213	-409	2946	-1695	3728	1963	-2127	-99	2851
Of which -													
Changes due to effects of revaluations	1647	1176	-1336	116	954	2381	-1124	-129	48	107	1453	-1176	-1720
Changes included in the balance of payments (a)	-2140	3394	3924	479	-741	-2790	4070	-1566	3680	1856	-3580	1077	4571
EXCHANGE RATES -													
UNITS OF FOREIGN CURRENCY PER \$A -													
END OF YEAR/QUARTER (b) -													
United States dollar	0.6772	0.7203	0.7940	0.7119	0.6772	0.6274	0.6648	0.7053	0.7203	0.7194	0.7225	0.7388	0.7940
United Kingdom pound	0.4414	0.4494	0.4612	0.4823	0.4414	0.4360	0.4525	0.4379	0.4494	0.4420	0.3857	0.3934	0.4612
West German mark	1.485	1.319	1.441	1.659	1.485	1.267	1.295	1.269	1.319	1.324	1.143	1.225	1.441
Japanese yen	110.96	105.79	105.17	128.09	110.96	96.34	106.37	102.85	105.79	105.54	88.22	92.04	105.17
Special drawing right	0.5781	0.5634	0.6059	0.6284	0.5781	0.5182	0.5448	0.5486	0.5634	0.5626	0.5137	0.5350	0.6059
PERIOD AVERAGE (c) -													
United States dollar	0.6999	0.6636	0.7290	0.7014	0.7130	0.6217	0.6475	0.6712	0.7142	0.7143	0.7038	0.7196	0.7783
United Kingdom pound	0.4866	0.4352	0.4167	0.4871	0.4727	0.4175	0.4527	0.4357	0.4350	0.4415	0.4020	0.4004	0.4230
West German mark	1.753	1.280	1.262	1.646	1.602	1.298	1.299	1.235	1.290	1.313	1.201	1.205	1.329
Japanese yen	140.48	101.37	97.59	131.73	121.27	96.99	103.93	102.83	101.83	104.96	95.53	92.05	97.83
Special drawing right	0.6387	0.5345	0.5448	0.6235	0.6141	0.5170	0.5369	0.5323	0.5518	0.5594	0.5256	0.5255	0.5688
TRADE-WEIGHTED INDEX OF VALUE OF THE AUSTRALIAN DOLLAR (MAY 1970 = 100)													
End of year/quarter (b)	56.3	56.6	59.8	61.1	56.3	51.9	55.0	55.4	56.6	56.2	52.0	53.8	59.8
Period average (c)	62.3	53.8	54.8	60.9	60.0	51.4	54.1	54.0	55.6	56.1	53.0	53.0	57.0

(a) The entries carry the opposite sign to corresponding entries in Tables 1 and 4. See paragraph 7 of the Explanatory Notes. (b) These exchange rates and index numbers relate to the last trading day of the reference period. (c) These exchange rates and index numbers are derived by averaging figures for each trading day.

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Recommended retail price: \$7.50



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